

Name: \_\_\_\_\_ Index No: \_\_\_\_\_/\_\_\_\_\_

2082  
COMMERCE  
STAGE II  
November 2012  
Time: 2½ hours

Candidate's Signature: \_\_\_\_\_

Date: \_\_\_\_\_



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**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**BUSINESS EDUCATION SINGLE AND GROUP CERTIFICATE  
EXAMINATIONS**

COMMERCE  
STAGE II

2½ hours

**INSTRUCTIONS TO CANDIDATES**

- Write your name and index number in the spaces provided at the top of this page.
- Sign and write the date of examination in the spaces provided above.
- Answer any FIVE of the following SEVEN questions in the spaces provided in this question paper.
- All questions carry equal marks.

**For Examiner's Use Only**

Question	1	2	3	4	5	6	7	TOTAL
Marks								

**This paper consists of 16 printed pages.**

**Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.**

1. (a) Explain **six** factors that may influence the location of a business enterprise. (12 marks)  
(b) Outline **four** causes of demand-pull inflation in a country. (8 marks)
2. (a) A dairy farmer in Limuru intends to join a producer co-operative society. Highlight **six** benefits that he is likely to get from such a move. (12 marks)  
(b) Outline **four** disadvantages of multinational corporations to a host country. (8 marks)
3. (a) Explain **six** factors that a business person should consider when sourcing for business finance. (12 marks)  
(b) Highlight **four** benefits that a firm may get from being a member of a cartel. (8 marks)
4. (a) Highlight **five** benefits that a company may get from being quoted in the stock exchange market. (10 marks)  
(b) Outline **five** differences between a sole proprietorship and a partnership form of business organization. (10 marks)
5. (a) Give **six** reasons why a country may find it necessary to impose restrictions on international trade. (12 marks)  
(b) Explain **four** disadvantages of monopolies to consumers. (8 marks)
6. (a) Highlight **six** factors that have limited the achievement of the Preferential Trade Area (P.T.A) goals. (12 marks)  
(b) Explain **four** ways in which an international trader may benefit from E-commerce. (8 marks)
7. (a) Outline **five** monetary measures that may be used by the Central bank to reduce inflation. (10 marks)  
(b) Explain **five** factors that may limit the adoption of modern technology in business operations. (10 marks)