MWAKIKAN EXAM

FORM 2 BUSINESS STUDIES

SECOND TERM 2017 ANSWERS

|  |  |
| --- | --- |
|  | Food  Shelter  Air  Clothing |
|  | * It provides employment opportunities * It makes it possible to reduce crime rates * It enables people to dispose off their surplus goods * It provides revenue to the government * It helps utilize t available resources. * Attracts auxiliary services leading to development in an area * It improves the standard of living * Earns income for the society * Promotes cohesion and peace |
|  | * There is use of low technology * There is little innovation and creativity * There is less cooperation hence low production * Involve use of limited area of production therefore low production * Production is meant for local consumption only/Not intended for sale. |
|  | * It saves on import * It helps provide employment * It helps improve means of transport and communication * Helps raise the standards of living * Helps reduce foreign dominance in the country * Helps to promote technology * Helps promote entrepreneurial culture * Helps earn government revenue * Help make use of available resources |
|  | * Serves as polite request by a seller to demand payment before goods are delivered * Used for customes clearance by an agent in international trade * Used by the seller where they do not want to give credit * Issued by agents who sells goods on behalf of the seller. * Can serve the same purpose as a quotation * Shows the buyer how invoice would appear if order is approved. |
|  | * Dictaphones * Radio calls * Paper punch * Telephone |
|  | * To generate income * To regulate business in different areas * To control entry of goods in the country * To protect consumers against exploitation by business people. * To provide essential goods and services * To provide goods and services that cannot be left in private sector since they are sensitive |
|  | * Where goods are bulky * Where goods are to be transported to far distances * Where the trader wants to incur less charges over long distances * Where the trader requires a more secure and safer means * Where the trader wants a more reliable means of transport * Where the trader wants to plan the transport of goods |
|  | * Illiteracy of some Kenyans where some and do not know how use them * Absence of network in some areas making people in such places avoid using them * High level of poverty making some people unable to buy and maintain them. * Low level of confidentiality when using makes some avoid it. * Frequent breakdown of the system makes some people avoid them |
|  | * There is increase in employment opportunities * Facilitates transfer of technology * Increases government revenue * Helps to develop infrastructure * Helps to facilitate peace and understanding between Kenya and other nations * Provides much needed capital * Brings about competition that improves quality and service delivery |
|  | * **Direct production indirect production** * Use of low technology uses advances technology * Does not encourage specialisation Encourages specialisation * Deals with production for local consumption deals with production for sale * There is surplus there is no surplus * Mostly uses traditional methods of production mostly uses new methods of production * Has low creativity and innovation- high creativity and innovation. |
|  | * Cost * Distance * Nature of goods * Value of goods * Reliability of a mean * Security * Urgency of goods |
|  | * Ensures steady flow of goods * Ensure stability in prices * Ensures protection of goods * Helps in meeting unexpected demands * Ensures continuous production * Makes it possible for goods to be prepared for sale * Enables the owner to look for market * Makes it possible for some goods to improve in quality |
|  | * Name and address of business * Business structure * Financial plan * Revenue and expenditure projection * SWOT analysis * Market analysis * Competitor analysis * Summary of business plan * Product |
|  | * Democratic administration * Voluntary and open membership * Limited interest on shares capital * Cooperation with other cooperatives * Promotion of education to members |
|  | Public limited company Private limited company  Shares are freely transferable Shares are not freely transferable  Managed by a board of directors Can be managed by one or two directors  Formed by a minimum of 7 shareholders Formed by a minimum of 2 shareholders  Has not set maximum number of Has a maximum of fifty shareholders  Shareholders  Account must be audited Accounts may not be necessarily audited  Advertise their shares to the public/ Share advertisement is not allowed  Requires a prospectus  Audited accounts must be published Audited accounts may not be published |
|  | * Population gender ratio * The number of individuals in an area * Population structure * Population working and non working ratio. |
|  | * To earn income/supplement their incomes * As a hobby * Influence of peers * Self employment * Build self image and social image/self actualisation * Be own boss * Utilize their skills * Spend leisure time * Provide goods & services to the disadvantages in the society * Make use of waste products |
|  | * Death of the owner * Persistent loss making * Court order on the business to close * Completion of the intended purpose * Owners decision * Bankruptcy/insanity of the owner |
|  | * To safe guard the property of the organization * To disseminate information * Filling * communication * To reproduce documents * To receive and record information * Mailing services. |
|  | * Through weight and measure act * Setting standards * Licensing * Food & drug Act * Rent tribunal Act * Educating consumers * Through sale of good act * Through public health act |
|  | * Is used to request for payment of the goods delivered * Shows current prices of various goods as charged by the seller. * Is issued by the seller to the buyer accepting receipt of order from the buyer * It’s a booklet sent to the buyer showing details of the goods the seller stocks. |
|  | * Increased use of boda bodas & small capacity vehicles in public transport * Development of more organized public transport systems e.g. SACCOs in transport * Development of trains & aircrafts with high capacity * Increased upgrading of roads use, construction of duo carriage ways * Development of more comfortable public transport vehicles * There has been increased upgrade to transport and communication facilitates e.g railway lines, airports, seaports etc |
|  | * Enables small and big firms compete favourably * Has a wide coverage for buying & selling * Reduces paper work in business * Business can obtain important information * It is quick way of doing business * Facilitates running business at any given time. |
|  | * It is readily available * It is flexible * It is cheaper over short distances * Convenient over short distances * Convenient to carry light goods |