MWAKIKAN EXAM

FORM 2 BUSINESS STUDIES

SECOND TERM 2017 ANSWERS

|  |  |
| --- | --- |
|  | FoodShelterAirClothing |
|  | * 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 companyShares are freely transferable Shares are not freely transferableManaged by a board of directors Can be managed by one or two directorsFormed by a minimum of 7 shareholders Formed by a minimum of 2 shareholdersHas not set maximum number of Has a maximum of fifty shareholdersShareholdersAccount must be audited Accounts may not be necessarily auditedAdvertise their shares to the public/ Share advertisement is not allowedRequires a prospectusAudited 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
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