**NAME ………………………………………………………………………ADM NO. ……………………CLASS ……………**

**565/2**

**BUSINESS STUDIES PAPER 2**

**TIME 21/2 HOURS**

**MWAKICAN FORM 3 JOINT EXAMINATION 2017**

***INSTRUCTIONS TO CANDIDATES***

* Write your name and admission number in the spaces provided
* Answer any five questions in the foolscaps provided

1a) Explain five objectives that may be achieved by establishing firms in different parts of a country (10mks

 b) Explain any 5 advantages of advertising to the consumer (10mks

2a) Explain five benefits a firm may enjoy by preparing a business plan (10mks

b) Discuss five factors which may bring about a decline in demand for wooden furnitures (10mks

3a) Explain five circumstances which may make a firm to acquire monopoly status (10mks

 b) Kenya is currently faced with a very serious unemployment problem. Explain five measures the

 government can use to reduce the level of unemployment (10mks

4a) Explain five features which may differentiate between a public company and a partnership (10mks

 b) Discuss five challenges a county may face if it is made up of a large population of young people (10mks

5a) Explain five circumstances that would make a farmer to use wholesalers in distributing farm products

 (10mks

 b) Kamau wishes to transport his products to Mombasa. Explain five factors which may help him to choose

 the most appropriate means of transport (10mks

6a) John has established a wholesale shop recently. Explain any five risks that he can insure his business

 against (10mks

 b)i) Explain any 2 differences between assets and liabilities (4mks

 ii) Kiwa traders had the following assets, liabilities and capital for the year ended 30th June 2013

 Cash at hand 4000

 Stock 10,000

 Furniture 7,000

 Creditors 5,000

 Long term loan 20,000

 Premises 50,000

 Debtors 2,000

 Bicycles 3,000

 Capital 51,000

 Use the above information to prepare his balance sheet (6mks