**Student Names:..................................................................................................Adm no:..........................**

**565/1**

**BUSINESS STUDIES**

**APRIL 2019**

**TIME: 2 HOURS**

**MWAKICAN JOINT EXAM TEAM (MJET)-2016**

***Kenya Certificate of Secondary Education (K.C.S.E)***

***FORM 2 TERM 1 2019***

**INSTRUCTIONS TO CANDIDATES**

1. Write your name and index number in the spaces provided above.

3. Attempt all questions

4. All answers must be written in the spaces provided in this booklet.

5. Do not remove any pages from this booklet

***For Examiner’s Use Only***

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| ***Question*** | ***1*** | ***2*** | ***3*** | ***4*** | ***5*** | ***6*** | ***7*** | ***8*** | ***9*** | ***10*** | ***11*** | ***12*** | ***13*** |
| ***Marks*** |  |  |  |  |  |  |  |  |  |  |  |  |  |

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| ***Question*** | ***14*** | ***15*** | ***16*** | ***17*** | ***18*** | ***19*** | ***20*** | ***21*** | ***22*** | ***23*** | ***24*** |
| ***Marks*** |  |  |  |  |  |  |  |  |  |  |  |

***Total Marks***

*This paper consists of 7 printed pages. Candidates should check the question paper to ensure that all pages are printed as indicated and that no questions are missing.*

* 1. Give four reasons why the government considers business studies as an important subject in secondary school education. (4 Mks)

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* 1. Resources refers to something that can be used to achieve an objective, outline any four types of resources a business may use to achieve its objectives (4 Mks)

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* 1. Classify each of the following activities as either in primary ,secondary or tertiary levels of production.(4mks)

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| **Activity** | **Level of production** |
| Digging clay soil required by traders in Gakoigo village |  |
| Construction of road from Kiaritha to Kangaita |  |
| Selling foodstuffs at Mwendiwega retail shop |  |
| Marketing Mobile phones in Kerugoya town |  |

* 1. The Government of Kenya has discovered coal in Miringa-Iri village. What are the likely challenges that the government will face in exploitation this resource (4 Mks)

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* 1. Outline four challenges faced in direct production (4 Mks)

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* 1. Give any four commercial services carried out in Kenya. (4 Mks)

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* 1. Highlight four ways a business person may use to enhance efficiency of labour in an office. (4 Mks)

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* 1. Give four reasons why Kenya has experienced high and unprecedented growth of entrepreneurs (4 Mks)

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* 1. Give five circumstances when the buyer may return goods to the seller. (4 Mks)

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* 1. Explain the following terms of payment as used in Home Trade (4 Mks)

1. Cash on delivery (COD)............................................................................................................................

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1. Cash with Order (CWO). ......................................................................................................

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1. Prompt cash. .........................................................................................................................

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1. Trade credit. ...........................................................................................................................

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* 1. Identify the document described by the statements below.

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| **statement** | **document** |
| Shows the amount of money payable by the buyer if he chose to make the purchase |  |
| Gives a detailed analysis of transactions between the seller and a buyer |  |
| Gives the quantity, unit price, and total amount to be paid by a particular buyer |  |
| Used by the seller to show the buyer that his account had been charged less than what was outstanding |  |

* 1. Mwangi a retailer has been approached by Wanjohi a regular customer in his shop to allow him take away some goods on credit. What considerations should be made by Mwangi before allowing Wanjohi to take the goods? (4 Mks)

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* 1. Among the documents required by the Registrar of companies is the Articles of Association. Highlight four contents of the Articles of Association (4 mks)

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* 1. Outline four disadvantages associated with office machines (4 Mks)

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* 1. Outline four essential office etiquettes of a good office worker (4 Mks)

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* 1. List four ways in which partners may be classified in Kenya (4 Mks)

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* 1. State any four types of business units in Kenya (4mks)

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* 1. Give four features of a partnership form of business. (4 Mks)

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* 1. Johanna, Maina, Judycaster, Semenya and Swaleh are opening a company. Outline four documents that are required to have for the company to be registered. (4Mks)

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* 1. Give four principles of cooperatives (4 Mks)

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* 1. Give four benefits to the members of consumer cooperatives (4 Mks)

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* 1. Highlight four roles on the Stock Exchange market (4 Mks)

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* 1. State four differences between open office and enclosed office (4 Mks)

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* 1. State four ways in which an organization can safeguard its properties. (4 Marks)

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* 1. Give four reasons why a business plan is important to a business person. (4 Mks)

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