



FORM 3 BUSINESS STUDIES 565/2
END YEAR EXAM 2016
TIME: 2 HOURS

<i>Date done</i>	
<i>Invigilator</i>	
<i>Date returned</i>	
<i>Date revised</i>	

Instructions

Attempt any five questions

Question	Marks
1 (a)	
(b)	
2 (a)	
(b)	
3 (a)	
(b)	
4 (a)	
(b)	
5 (a)	
(b)	
6 (a)	
(b)	
TOTAL	

- 1.(a). Explain **five** external factors that an entrepreneur need to consider when evaluating a business opportunity. (10 marks)
- b). Outline **five** differences between a partnership and a cooperative forms of business units. (10 marks)
2. a) Explain FIVE measures the Kenyan government may take to curb unemployment. (10 marks)
- b) Describe five documents prepared by the seller in home trade. (10 marks)
3. (a)Discuss **five** demerits of government involvement in business activities. (10 marks)
- (b) Discuss **five** measures the government can undertake to promote entrepreneurship practices in Kenya. (10 marks)
4. (a) Explain five principles of insurance. (10 marks)
- b) Explain **five** factors that may hinder effective communication in an organization. (10 marks)
5. (a) Explain **five** factors that influence the choice of a product to produce. (10 marks)
- b) Highlight **five** circumstances under which a proforma invoice may be issued. (10marks)
6. a) Explain **five** factors that influence the level of National income of a country. (10marks)
- b) Explain FIVE ways in which the government may encourage the location of a firm in rural area. (10marks)