**Name**………………………………………………………..**Adm. No**…………………

**Sign**………………............

**Date**………………………

565/1

**BUSINESS STUDIES**

PAPER 1

July/August 2016

TIME: 2 Hours

**TOP EVALUATION EXAMINATION-2016**

**FORM THREE**

**565/1**

**Paper 1**

**BUSINESS STUDIES**

**2 HOURS**

**INSTRUCTIONS TO STUDENTS**

1. Write your name and admission number in the spaces provided above
2. Sign and write the date of the examination in the spaces provided above.
3. Answer all questions in the spaces provided.
4. This paper consists of **7** printed pages
5. Check the question paper to ascertain that all the pages are printed as indicated and no questions are missing.

**For Examiner’s Use Only**

|  |  |  |
| --- | --- | --- |
| **Question** | **Maximum Score** | **Candidate’s Score** |
| **1-25** | **100** |  |

1. State **four** circumstances when economic environment can be an opportunity to the business.

(4 marks)

…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

1. State **four** characteristics of labour as a factor of production. (4 marks)

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1. Give **four** features of supermarkets as retailer. (4 marks)

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1. Identify **four** contents of a catalogue as a document of home trade. (4 marks)

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1. Give **four** circumstances under which Cash on Delivery and Cash with Order are appropriate.

(4 marks)

…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

1. Give **four** advantages of landscape office layout. (4 marks)

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1. Give **four** contents of a good business plan. (4 marks)

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1. Mention the forms that downward communication can take. (4 marks)

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1. Mention **four** benefits derived from face-to-face communication in an organization. (4 marks)

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1. For what reasons do the government issue licenses to business people? (4 marks)

…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

1. Highlight **four** duties of commercial attaches in promotion of external trade. (4 marks)

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1. List **four** costs a middleman is likely to incur while distributing goods. (4 marks)

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1. Mention **four** factors influencing the choice of a distribution channel in business. (4 marks)

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1. Mention **four** uses of national income statistics in a country. (4 marks)

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1. Give **four** problems associated with expenditure approach to measuring national income. (4 marks)

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1. Outline **FOUR** features of trade credit as a source of finance for business units. (4 Marks)

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1. Outline **four** demerits of motorcycle as mode of transport (4 marks)

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1. State **four** factors that may have caused the change shown in the diagram below. (4 marks)

Price

Quantity supplied

…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

1. Highlight four factors a firm must take into account when deciding on the product(s) to produce.

(4 marks)

…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

1. Give **four** reasons why bonded warehouses are located at entry poimts. (4 marks)

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1. State four circumstances where a firm would be located near a source of raw materials. (4 marks)

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1. Identify **four** current trends in sales promotion. (4 marks)

…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

1. Identify any **four** goals of Economic Development. (4 marks)

…………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………………….

1. State **four** causes of unemployment in Kenya. (4 marks)

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1. Give four reasons why a sole proprietor business may remain small size. (4 marks)

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