

NAME _____ CLASS _____

DATE _____ SIGNATURE _____

**BUSINESS STUDIES
FORM TWO
2ND TERM 2015
2 HRS.**

**Kenya Certificate of Secondary Education
BUSINESS STUDIES
FORM TWO 2ND TERM EXAMINATION 2015**

Instructions

- Answer all the questions in the spaces provided

For Examiner's Use Only

Questions	1	2	3	4	5	6	7	8	9	10	11	12
Marks												

Questions	13	14	15	16	17	18	19	20	21	22	23	24	25
Marks													

TOTAL

MARKS

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This paper consists of 6 printed pages. Candidates should check to ascertain that all pages are printed as indicated and that no questions are missing.

1.State the principle of insurance to which each of the following statements relate (4mks)

(a) There is close connection between the cause of loss and the actual risk insured against for compensation to be affected.....

(b) A person can only insure property whose destruction would result to a financial loss to him/her.....

(c)Restoring the insured to the financial position he/she was in just before the risk occurred

(d)Whatever remains of the property insured, after compensation becomes the property of the insurer.....

2.Outline any four causes of breakdown in communication (4mks)

(a).....

(b).....

(c).....

(d).....

...

3.Fill the blanks in the table below

Name of document	Purpose of document	Issued by
(a) Letter of inquiry		Buyer
(b)Local purchase order		Buyer
(c)Invoice	To demand for payment	
(d)	To correct undercharge	Seller

4. Outline four types of business activities (4mks)

(a).....

(b).....

(c).....

(d).....

- 5 **Highlight four reasons why a cheque may be dishonoured** (4mks)
(a).....
(b).....
(c).....
(d).....
6. **List four essential elements of a transport system** (4mks)
(a).....
(b).....
(c).....
(d).....
- 7 **State any four classes of goods produced in the economy** (4mks)
(a).....
(b).....
(c).....
(d).....
8. **Highlight four reasons why consumers need to be protected** (4mks)
(a).....
(b).....
(c).....
(d).....
9. **Highlight four ways in which warehousing is useful to a trader** (4mks)
(a).....
(b).....
(c).....
(d).....
10. **State four circumstances under which it may be appropriate to use personal selling as a form of product promotion** (4mks)
i).....
ii).....
iii).....

iv).....

11. Highlight four personal qualities required of a good office worker (4mks)

i).....

ii).....

iii).....

iv).....

12. State four functions of commercial attaches (4mks)

i).....

ii).....

iii).....

iv).....

13. Give four reasons why some traders prefer to operate supermarket business (4mks)

i).....

ii).....

iii).....

iv).....

14. State four reasons why short message service (SMS) is replacing letters as a way of communication (4mks)

i).....

ii).....

iii).....

iv).....

15. All vehicles on Kenyan roads must have insurance policy. Highlight the meaning of the following terms as used in Insurance. (4mks)

(i) First Party

.....
.....
.....

(ii) Second Party

.....
.....
.....

(iii) Third Party

.....
.....
.....

(iv) Comprehensive policy

.....
.....
.....

16. Outline three demerits of face to face communication (4mks)

- (i).....
- (ii).....
- (iii).....
- iv).....

17. State four features of a life assurance (4 marks)

- (a).....
- (b).....
- (c).....
- (d).....

(4mks)

18 Name four types of marine insurance policies.

- (i).....
- (ii).....
- (iii).....
- (iv).....

(4mks)

19 State four measures a business can put in place to safeguard office property.

- i) _____
- ii) _____
- iii) _____
- iv) _____

20 Highlight four ways in which Kenya Association of Manufacturers (KAM) ensures that their members do not exploit consumers.

(4mks)

- i) _____
- ii) _____
- iii) _____
- iv) _____

(4mks)

21 State any four essential elements of communication.

- i) _____
- ii) _____
- iii) _____
- iv) _____

22 Outline any four gaps of a business opportunity that exists in the market

(4mks)

- a).....
- b).....
- c).....
- d).....

23. Highlight any four drawbacks of specialization (4mks)

- a)
- b).....
- c).....
- d).....

24. Outline the procedures involved in making an insurance claim (5mks)

- i).....
- ii).....
- iii).....
- iv).....

25 Give any four features of a bonded warehouse (4mks)

- a).....
- b).....
- c).....
- d).....

***** END *****