



**FORM 2 BUSINESS STUDIES**  
**CAT 1 TERM 2 2016**  
**TIME: 2 HOURS**

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

1. Highlight four reasons for studying Business Studies in Nyabururu Girls. (4mks)

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

2. Outline four reasons for the existence of businesses. (4mks)

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

3. State four characteristics of basic wants. (4mks)

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

4. State four factors of production and their rewards. (4mks)

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

5. Outline four factors that discourage entrepreneurship. (4mks)

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

6. Outline the function of the following: (4mks)

- (i) Guillotine
- (ii) Franking machine
- (iii) Paper shredder
- (iv) Dictaphone

7. Highlight four advantages of using a computer in an office. (4mks)

(i)

(ii)

(iii)

(iv)

8. State four characteristics of supermarkets. (4mks)

(i)

(ii)

(iii)

(iv)

9. Highlight four circumstances under which a credit note will be sent. (4mks)

(i)

(ii)

(iii)

(iv)

10. Outline four circumstances under which a cheque may be dishonoured. (4mks)

(i)

(ii)

(iii)

(iv)

11. State four circumstances under which cash with order is appropriate. (4mks)

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

12. Highlight four disadvantages of a sole proprietorship. (4mks)

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

13. Outline four circumstances under which a sole proprietorship may be dissolved. (4mks)

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

14. Name four contents of a partnership deed. (4mks)

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

15. Highlight four sources of capital to a partnership. (4mks)

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

16. Name four principles of co-operatives. (4mks)

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

17. State four reasons why Moffart a newly employed employee should join a SACCO. (4mks)

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

18. Name four documents forwarded to the registrar to companies. (4mks)

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

19. Highlight four differences between ordinary shares and preference shares. (4mks)

	<b>Ordinary Shares</b>		<b>Preference Shares</b>
(i)		(i)	
(ii)		(ii)	
(iii)		(iii)	
(iv)		(iv)	

20. Highlight four differences between a public limited company and a public corporation. (4mks)

	<b>Public Limited Company</b>		<b>Public Corporation</b>
(i)		(i)	
(ii)		(ii)	
(iii)		(iii)	
(iv)		(iv)	

21. Outline four roles of the stock exchange. (4mks)

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

22. Highlight four reasons for government involvement in business. (4mks)

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