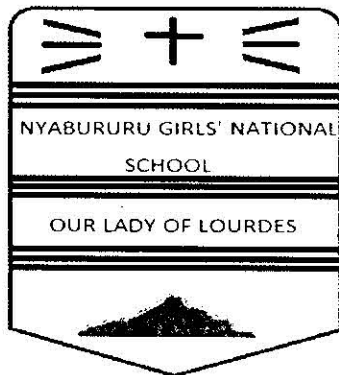


NAMECLASS NO.....

Signature



**FORM 2 BUSINESS STUDIES
MAKE-UP TERM 1 2016
TIME: 2 HOURS**

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

Instructions

Answer ALL questions in the spaces provided.

1. Outline any four subjects that compose Business Studies. (4mks)
 - (i)
 - (ii)
 - (iii)
 - (iv)
2. Highlight four characteristics of economic resources. (4mks)
 - (i)
 - (ii)
 - (iii)
 - (iv)

3. Outline four types of utility. (4mks)

(i)

(ii)

(iii)

(iv)

4. Highlight four characteristics of labour as a factor of production. (4mks)

(i)

(ii)

(iii)

(iv)

5. State four characteristics of an entrepreneur. (4mks)

(i)

(ii)

(iii)

(iv)

6. State four reasons why businesses fail. (4mks)

(i)

(ii)

(iii)

(iv)

7. Highlight four factors that influence entrepreneurial practice in Kenya. (4mks)

(i)

(ii)

(iii)

(iv)

8. State four factors to consider when choosing office equipment. (4mks)

(i)

(ii)

(iii)

(iv)

9. List four small scale retailers with shops. (4mks)

(i)

(ii)

(iii)

(iv)

10. State four features of chain stores. (4mks)

(i)

(ii)

(iii)

(iv)

11. Highlight four services rendered by wholesalers to producers. (4mks)

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

12. State the functions of the following documents used in home trade. (4mks)

- (i) Quotation
- (ii) Acknowledgement note
- (iii) Advice note
- (iv) Invoice

13. Highlight four circumstances under which cash with order (C.W.O) is appropriate. (4mks)

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

14. Outline three types of discounts. (3mks)

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

15. State four disadvantages of sole proprietorship as a form of business. (4mks)

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

16. State four ways of classifying partners giving examples in each. (4mks)

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

17. State five contents of a partnership deed as provided in the Partnership Act of 1963. (5mks)

- (i)
- (ii)
- (iii)
- (iii)
- (v)

18. Alice and Grace have agreed to form a business. State four sources of capital that may be available to them. (4mks)

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

19. State four principles of co-operatives.

(4mks)

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

20. List four documents necessary for registration of a limited liability company.

(4mks)

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

21. State four differences between a public limited company and a private limited company. (4mks)

	Public Limited Company	Private Limited Company
(i)		
(ii)		
(iii)		
(iv)		

22. State four advantages of a company as a form of business.

(4mks)

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

23. Highlight four circumstances under which a company may be wound up. (4mks)

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

24. State four features of public corporations. (4mks)

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

25. State differences between a public limited company and a public corporation. (4mks)

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