**NAME CLASS**

**DATE SIGNATURE**

**BUSINESS STUDIES**

**FORM TWO**

**3RD TERM 2013**

**2 HRS**

**Kenya Certificate of Secondary Education**

**BUSINESS STUDIES**

**FORM TWO 3RD TERM EXAMINATION 2013**

**Instructions:**

* **Answer all questions in the spaces provided**

**For Examiner’s Use Only**

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

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

**TOTAL**

**MARKS**

1. Outline four contents of a memorandum of association (4mks)
2. State circumstances under which air transport may be used to ferry goods (4mks)

1. List four limitations of telephone calls (4mks)
2. State four internal factors that influences the performance of business (4mks)

1. Classify the following resources as either renewable or non-renewable (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Resource** | **Classification** |
| a) | Wood |  |
| b) | Coal |  |
| c) | Solar energy |  |
| d) | Natural gas |  |

1. Give four factors affecting the productivity of labour (4mks)
2. Outline four functions of an entrepreneur as a factor of production (4mks)

1. Highlight four limitations of audio-visual form of communication (4mks)
2. List four features of a bonded warehouse (4mks)
3. State four factors to consider when evaluating a business (4mks)
4. Outline four characteristics of general/property insurance (4mks)
5. List four circumstances under which a personal selling is appropriate (4mks)
6. Give four disadvantages of carbon copying as a method of document reproduction (4mks)
7. State four common features of small scale retailers (4mks)
8. Name the document that each of the following descriptions refer to (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Description** | **Document** |
| a) | It’s a reply to an inquiry which contains descriptions, illustrations, terms of sale and prices |  |
| b) | Alerts a buyer that ordered goods are on the way |  |
| c) | Used to summarize all monthly credit transactions between a buyer and seller |  |
| d) | Used to correct undercharge in an invoice |  |

1. State four advantage of using a credit card as a mean of payment (4mks)
2. Classify each of the following activities in the appropriate level of production (4mks)

|  |  |  |
| --- | --- | --- |
|  | Activity | Level of production |
| a) | Farming |  |
| b) | Brick making |  |
| c) | Quarrying |  |
| d) | Nursing |  |

1. Outline four reasons for filing office documents (4mks)

1. Outline four sources of capital for public corporations (parastatals) (4mks)
2. State the limitation of road transport (4mks)
3. Identify the types of warehouse that match each of the descriptions (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Description** | **Type of warehouse** |
| (i) | Used to store duty free goods awaiting collection |  |
| (ii) | Controlled and operated by a firm to store finished goods as they await distribution |  |
| (iii) | Currently in storage of imported sugar awaiting the payment of duty by the importer |  |
| (iv) | Rented by a trader to store her goods for two months as she prepares to transport them to their destination |  |

1. Highlight four reasons for using posters to advertise goods (4mks)
2. List four qualities of an office messenger (4mks)
3. Identify four disadvantages of hire purchase to the buyer (4mks)
4. Outline four characteristics of service (4mks)