



**GATITU GIRLS SECONDARY SCHOOL**  
**BUSINESS STUDIES FRM3 MIDTERM EXAM 1<sup>ST</sup> TERM 201**  
NAME.....ADM.....CLASS.....

1. Prices of goods and services can be determined in the market through the interaction of the forces of demand and supply. Name four other methods of price determination.(4 mks)

- (a) \_\_\_\_\_
- (b) \_\_\_\_\_
- (c) \_\_\_\_\_
- (d) \_\_\_\_\_

2 Outline four factors that may lead to a shift in the supply curve 4mks

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

3 Highlight five factors to consider when determining size of the firm 5mks

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

4. Outline four reasons why small business continue to exist in the economy.(4 marks)

- (a) \_\_\_\_\_
- (b) \_\_\_\_\_
- (c) \_\_\_\_\_
- (d) \_\_\_\_\_

5. Identify four contents of a cheque that make it valid. (4 marks)

- (a) \_\_\_\_\_
- (b) \_\_\_\_\_
- (c) \_\_\_\_\_
- (d) \_\_\_\_\_

6. Outline four factors a firm may consider when selecting the product promotion medium to use for her product. (4mks)

- (i) \_\_\_\_\_

- (ii) \_\_\_\_\_
- iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

7. State four methods that a government may use to influence location of businesses. (4mks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

8 State five disadvantages of dislocalisation of firm 5mks

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

9) outline five principles of insurance. (5marks)

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

10.State five merits of storing goods in a public warehouse (5mks)

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

11 The table below show descriptions of different types of partners. Identify type of partners that match the description 4mks

Description	Type of partner
(a) Do not contribute capitals	
(b) Those whose private properties can be used to pay business costs	
(c) Do not participate actively in management	

(d) Are above 18 years of age	
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(4mks)

12. List four sources on internal economies of scale

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

13. Outline four disadvantages of an enclosed office. (4mks)

- (i) \_\_\_\_\_
- (ii) \_\_\_\_\_
- (iii) \_\_\_\_\_
- (iv) \_\_\_\_\_

14. Highlight four similarities between a promissory note and a bill of exchange. (4mks)

- (i) \_\_\_\_\_
- \_\_\_\_\_
- (ii) \_\_\_\_\_
- \_\_\_\_\_
- (iii) \_\_\_\_\_
- \_\_\_\_\_
- (iv) \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_