**GATIU MIXED SECONDARY SCHOOL**

**BUSINESS STUDIES FORM 3 END OF TERM ONE 2015 EXAM**

1. Describe briefly the amount of human wants existing in your village. 3mks
2. State the law of demand. 2mks
3. What are economics of scale of a firm? 3mks
4. Differentiate between localization of firms and location of firms. 4mks
5. Explain long run period of a firm. 3mks
6. State the law of diminishing returns to scale. 3mks
7. Differentiate between a firm and an industry. 4mks
8. Give four factors determining the size of a firm. 4mks
9. Suggest some two demerits of delocalization of firms. 2mks
10. Why do some firms maintain small scale operations yet they could earn economies of scale? 6mks.
11. What are external economies of scale? 3mks
12. Distinguish between joint demand and derived demand 5mks
13. What other ways are practiced to determine prize of a good besides price mechanism. 4mks
14. State the main aim of a business enterprise. 2mks
15. The following supply schedule shows the quantity of fish supplied in a market.

|  |  |  |
| --- | --- | --- |
| Price per kg | Quantity supplied by njuguna(kg) | Quantity supplied by Onyango(kg) |
| 100 | 150 | 200 |
| 150 | 200 | 300 |
| 200 | 250 | 450 |
| 250 | 300 | 500 |
| 300 | 450 | 550 |
| 350 | 500 | 600 |
| 400 | 600 | 600 |
|  |  |  |

Plot the market supply curve for fish. 5mks