**NAME…………………………………………….ADMISSION NUMBER………………………**

**565/1**

**FORM TWO**

**BUSINESS STUDIES 565/1**

**TIME:2 HOURS**

**OCTOBER 2019**

**MWAKICAN JOINT EXAMINATION 2019**

**KENYA CERTIFICATE OF SECONDARY EDUCATION (K.C.S.E.)**

**BUSINESS STUDIES**

**TERM 3 END TERM EXAMINATION**

**TIME 2HOURS**

**Instructions to candidates.**

* Write your name and admission number in the spaces provided.
* Answer all questions in the spaces provided.
* Answer **all** questions in Section A and **three** in Section B
* Answers must be written in English.
* Avoid one word answers

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**Section A: Attempt all questions in this section**

1. Give any four functions of an office. (4 Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
	4. ……………………………………………………………………………………………
2. Distinguish between the following: (4Mks)
	1. Producer goods and Consumer Goods

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* 1. Intermediate goods and Finished goods

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1. The following descriptions relates to some documents used in Home trade. Identify the document that befits the description (4mks)

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| **Purpose of the document** | **Name of the document** |
| To inform the buyer that goods have been dispatched |  |
| To inform the buyer that the order has been received |  |
| Evidence of delivery of goods |  |
| Corrects an overcharge on an invoice |  |

1. In each of the following statement give the type of utility created. (4mks)

 **Statement Type of utility**

a) Student buying a pen from a school canteen: ……………………………………………….

b) A farmer taking mangoes to the market:……………………………………………………….

c) Kamau banking money with Equity bank account:………………………………………………..

d) Making a table at carpentry shop:………………………………………………………………

1. Outline four fundamental features of a good transport system. (4 Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
	4. …………………………………………………………………………………………………….
2. Below are tasks performed by office machines and equipment. State the machine/equipment used to perform each task (4mks) (4mks)

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| --- | --- |
|  Task | Machine/equipment |
| a) Sending and receiving verbal messages |  |
| b) Cutting papers into required sizes |  |
| c) Printing stamp impression on envelops |  |
| d) Sending printed diagrams charts, maps e.t.c. |  |

1. State four consequences that may arise due to poor arrangement of goods in a warehouse. (4 Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
	4. ……………………………………………………………………………………………
2. Highlight four Ways in which legal political environment may improve business performance. (4mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
	4. ……………………………………………………………………………………………
3. State four services offered by wholesalers to retailers (4 Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
	4. ……………………………………………………………………………………………
4. State four functions of an entreprenuer. (4 Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
	4. ……………………………………………………………………………………………
5. Outline four benefits of a bonded warehouse. (4 Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
	4. ……………………………………………………………………………………………
6. Outline four difference between a public limited company and a partnership. (4 Mks)

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|  | Public limited company | partnership |
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* 1. …
	2. ……………………………………………………………………………………….
1. State three measures a consumer may take inorder to satisfy most of his wants. (3 Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
	4. ……………………………………………………………………………………………
2. Highlight four factors to consider when choosing a method of promoting their product. (4 Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
	4. ……………………………………………………………………………………………
3. State three circumstances when containers may be used in transport of goods. (3 Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
4. Outline four contents of a business plan (4Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
	4. ……………………………………………………………………………………………
5. State four reasons why a trader may prefer to advertise of radio over newspaper. (4 Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………
	4. ……………………………………………………………………………………………
6. Outline four circumstances when a partnership may be dissolved. 4 Mks)
	1. ……………………………………………………………………………………………
	2. ……………………………………………………………………………………………
	3. ……………………………………………………………………………………………

**Section B: Attempt any three questions (30 Marks)**

1. A shop keeper ordered some items from a wholesaler. However, when the goods arrived, the shopkeeper found out that they were not the items ordered. Describe five reasons for this breakdown in communication between the two business people. (10 Mks)

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1. Describe five types of malpractices that the government protects consumers against by traders. (10mks)

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1. Outline five reasons why an ethical practice is necessary in product promotion. (10mks)

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1. Explain insurance policies that the owner of a supermarket may find useful for the business (10mks)

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