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

**565**

**BUSINESS STUDIES**

**TIME:2 HOURS**

**JULY/AUGUST 2016**

**MWAKICAN FORM 2 JOINT EXAMINATION 2016**

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

**BUSINESS STUDIES**

**JULY /AUGUST 2016**

**TIME 2HOURS**

**INSTRUCTIONS TO CANDIDATES.**

* **Write your name and admission number in the spaces provided.**
* **Answer all questions in the spaces provided.**
* Answers must be written in English.
	1. Identify four disciplines that make-up Business studies.4MKS

i.

ii.

iii.

iv.

* 1. State whether each of the following factors fall under external or internal business environment.

|  |  |  |
| --- | --- | --- |
|  | **External** | **Internal** |
| 1. Law’s governing Business operations in Kenya
 |  |  |
| 1. Share holders decisions
 |  |  |
| 1. Changes in tax
 |  |  |
| 1. Changes in population
 |  |  |

* 1. Give four challenges faced in the satisfaction of human wants.4mks

i.

ii.

iii.

iv.

* 1. Outline four characteristics of free resources.4mks

i.

ii.

iii.

iv.

* 1. Highlight four reasons why the government involves itself in Business Activities.4mks

i.

ii.

iii

iv.

* 1. In the table below, match the descriptions with appropriate type of a partner.4mks

|  |  |
| --- | --- |
| **Statement/description** | **Type of partner** |
| 1. Under 18 years of age
 |  |
| 1. Does not take part in the running of the business
 |  |
| 1. Allows his/her name to be used as if he/she is a partner.
 |  |
| 1. Has unlimited liabilities.
 |  |

* 1. State four differences between goods and services.4mks

|  |  |
| --- | --- |
| **Goods** | **Services** |
| i. |  |
| ii. |  |
| iii. |  |
| iv. |  |

* 1. Outline four ways in which traders may exploit consumers.(4mks)

i.

ii.

iii.

iv.

* 1. Outline four reasons why a trader may construct their own warehouse. .(4mks)

i.

ii.

iii.

iv.

* 1. List four means of payment that a trader may use to effect payment.(4mks)

i.

ii.

iii.

iv.

* 1. Highlight four merits of an open plan office layout .(4mks)

i.

ii.

iii.

iv.

* 1. Outline any four features of Public Corporations. (4mks)

i.

ii.

iii.

iv.

* 1. The table below shows different characteristics of production. Indicate whether each relate to direct or indirect production. 4mks

|  |  |
| --- | --- |
| Characteristics of production | Type of production |
| 1. Uses machines and modern technology
 |  |
| 1. Mainly produces as the needs arises
 |  |
| 1. Production is market oriented
 |  |
| 1. Level of output is generally low.
 |  |

* 1. Identify any four gaps in the society that may give rise to a business opportunity.(4mks)

i.

ii.

iii.

iv.

* 1. State four ways in which the government may regulate business activities.(4mks)

i.

ii.

iii.

iv.

* 1. Highlight four roles of transport in promotion of trade. (4mks)

i.

ii.

iii.

iv.

* 1. Highlight four reasons why letters continue to be used as a means of communication.(4mks)

i.

ii.

iii.

iv.

* 1. Outline four roles played by Nairobi Stock Exchange market in Kenya’s economy.(4mks)

i.

ii.

iii.

iv.

* 1. Identify the following types of warehouse having the following characteristics.

|  |  |
| --- | --- |
| **Characteristics** | **Type of warehouse** |
| 1. Holds tax free goods produced locally or imported
 |  |
| 1. Used to hold dutiable goods from within or outside the country.
 |  |
| 1. Goods can stay in store without the owner worrying about high storage charges or loss of goods.
 |  |
| 1. These warehouses are located at entry points, terminals and urban areas for hire by local traders.
 |  |

* 1. Give four reasons why office documents should be filed.(4mks)

i.

ii.

iii.

iv.

* 1. Outline four features of a supermarket .(4mks)

i.

ii.

iii.

iv.

* 1. List four functions of an entrepreneur as a factor of production. (4mks)

i.

ii.

iii.

iv.

* 1. State four barriers to effective communication. 4mks

i.

ii.

iii.

iv.

* 1. Outline four circumstances under which non-verbal signs may be used.(4mks)

i.

ii.

iii.

iv.

* 1. Identify four circumstances under which air transport would be suitable for a business.

i.

ii.

iii.

iv.