

565/2

**BUSINESS STUDIES**

**PAPER 2 -2022**

**2½ HOURS**

**FORM THREE**



**FOCUS A365**  
A M A N Y A M F R A N C I S E . C O M P R O D U C T I O N

Kenya Certificate of Secondary Education –KCSE/PAPER 2: BUSINESS STUDIES

**TIME: 2½ HOURS**

**INSTRUCTIONS TO CANDIDATES**

*This paper consists of six questions.*

*Answer FIVE questions*

*Write your answers in the foolscaps provided.*

*All questions carry equal marks.*

*This paper consists of TWO Printed pages.*

**Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.**

**Candidates should answer the questions in English.**

**For Examiners use only.**

Question	1	2	3	4	5	6
Marks						

1. (a) Explain FIVE advantages of an open plan office layout for a business.(10mks)  
  
(b) Explain FIVE reasons for existence of small firms despite competition from large scale firms.(10mks)
2. (a) Explain FIVE principles of Insurance.  
  
(b) With the aid of a diagram, explain the effect of an increase in supply to the equilibrium price and quantity of a product.(10mks)
3. (a) Explain FIVE problems facing savings and credit cooperative societies in Kenya .10mks)  
  
(b) Explain FIVE reasons why the government gets involved in Business activities.(10mks)
4. (a) Despite the development in the transport sector, human portorage is still commonly used in Kenya.  
  
Explain FIVE reasons that account for this fact.(10mks)  
  
(b) Explain FIVE circumstances under which a firm may relocate its operations from urban centres to rural areas.(10mks)
5. (a) Explain FIVE ways in which warehousing promotes trade.(10mks)  
  
(b) Explain FIVE problems encountered when measuring National Income using the Income approach.(10mks)
6. (a) Explain FIVE characteristics of perfectly competitive market.(10mks)  
  
(b) Manufacturers distribute their products to the final consumers through various channels .Highlight FIVE factors considered in choosing a particular channel of distribution.(10mks)