

**FORM 2
BUSINESS STUDIES
ENDTERM EXAM – MARCH 2016
TIME:2 HRS**

NAME..... ADMIN NO.....CLASS.....

INSTRUCTION

Answer all the questions in this Booklet

1. Highlight four disadvantages of office machine (4mks)

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2. Explain the difference between the following goods

- i) Free goods and economic goods (2mks)

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- ii) Intermediate goods and finished goods (2mks)

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3. State the difference between private limited company and public limited company. (4 mks)

	Private Limited Co.	Public Limited Co.
i)		
ii)		
iii)		
iv)		

4. Identify the level of production and give examples

(4mks)

Level	Nature	Examples
1. Primary	Extraction	
2. Secondary	Processing Constructure	
3. Tertiary	Direct personal Service	

5. Explain four sources of capital for co-operatives

(4mks)

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6. Highlight four factor that a trader may consider before selling goods on credit (4mks)

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7. Maganda sold goods at 20,000 on credit to Chevakali Merchandise after allowing them a trade discount of 10%. The cash discount was quoted as follows 10% within 2 weeks, 5% 1 month otherwise net.

i) Calculate the amount payable after two weeks but before the end of 1 month (4mks)

8. Highlight four importance of trade to the society members (4mks)

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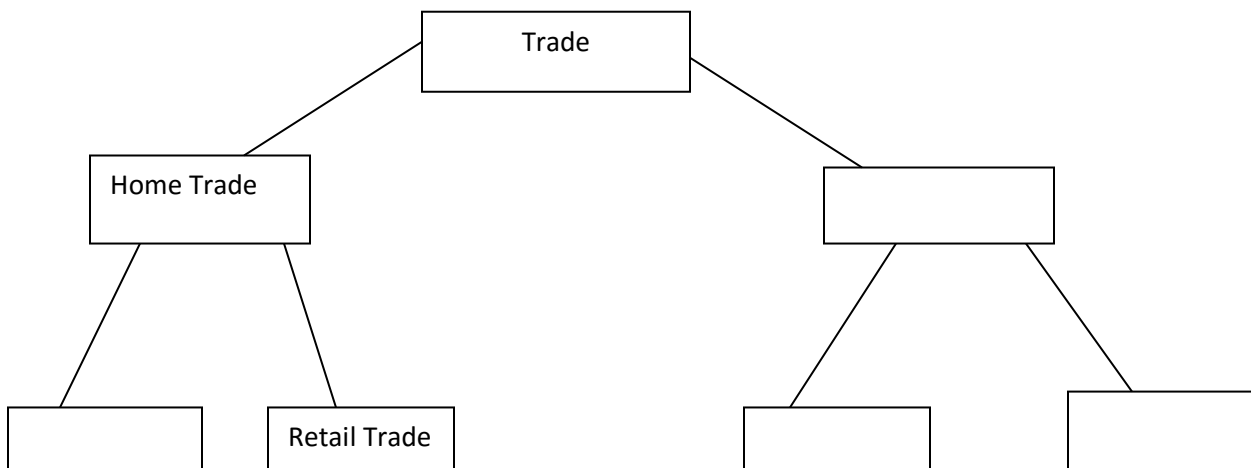
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9. Fill in the blank space with the correct term (4mks)



10. Outline four characteristics of indirect production (4mks)

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11. State four benefits of joining saving and credit co-operation (4mks)

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12. Highlight four reasons why we satisfy basic wants before secondary wants (4mks)

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13. Outline four advantages of open office layout (4mks)

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14. In the spaces provided in the table below, name the type of partner described by each statement. (4mks)

Statement	Type of Partner
a) Does not contribute capital but allows his name to be used in the business	
b) It is above 18 years	
c) It has limited liabilities	
d) Is involved in day to day operations of the partnership	

15. Highlight four ways in which clothing satisfies human wants (4mks)

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16. State four ways in which an organization can improve the productivity of its human resources. (4mks)

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17. Highlight four characteristics of a sole proprietorship (4mks)

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18. Highlight four merit of E-Commerce (4mks)

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19. Outline four external business environment (4mks)

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20. Outline four Aid to trade that support Business activities (4mks)

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21. Differentiate between goods and services

i)	
ii)	
iii)	
iv)	

22. Highlight four advantages of division of labour

(4mks)

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23. State the rewards for the following factors of production

(4mks)

Factors	Reward
i) Quarry	
ii) Business loan	
iii) Business Manager	
iv) Business Owner	

24. Outline 4 features / characteristics of a parastatal.

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25. Outline four advantages of having a business plan (4mks)

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