TEST – 2016 FORM 3

SINNESS STUDIES
PER 2
LY / AUGUST 2016
IE: 2¼ HOURS

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Instructions to Candidates:

This paper consists of six questions.
Answer any FIVE questions.
Write your answers in the answer booklet provided.
All questions carry equal marks.
This paper consists of 2 printed pages.
Candidates should check the question paper to ascertain that all pages are printed as indicated and no questions are missing.

TOTAL MARKS

Business Studies 2

Page 1 of 2
1. (a) Highlight **five** measures that a business would take to ensure smooth functioning of its warehouse. (10mks)

   (b) Explain **five** causes of unemployment in Kenya. (10mks)

2. (a) Explain **five** reasons why an individual would prefer letters for business communication. (10mks)

   (b) Explain **five** factors that may be considered in determining the appropriate channel for distributing goods. (10mks)

3. (a) Highlight **five** reasons why mobile phones are becoming more popular than landline in Kenya. (10mks)

   (b) Explain **five** reasons why road transport is popular in Kenya. (10mks)

4. (a) Explain **five** ways of attracting customers that traders may use. (10mks)

   (b) Describe the channels to be followed when distributing local agricultural produce. (10mks)

5. (a) The financial period of Kanonga Dress House ends on 31\textsuperscript{st} December every year. On 31\textsuperscript{st} December 2004, the business had the following assets and capital:

   - **Capital**: 24,000
   - **Stock of goods**: 1,500
   - **Debtors**: 2,000
   - **Machinery**: 20,000
   - **Cash**: 4,000

   (i) Calculate the total liabilities of the business. (4mks)

   (ii) Prepare a balance sheet as at 31\textsuperscript{st} December 2004 (6mks)

   (b) Explain **five** factors that may influence the level of national income of a country. (10mks)

6. (a) Explain **five** services offered by wholesalers to retailers. (10mks)

   (b) Explain **five** challenges likely to face a producer who sells directly to consumers. (10mks)