

Name: \_\_\_\_\_

Class: \_\_\_\_\_

Candidate's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**FORM 2 BUSINESS STUDIES  
OCTOBER/NOVEMBER, 2017  
Time: 2Hours**

## **FORM 2 END-YEAR EXAMINATION – 2017 Kenya Certificate of Secondary Education BUSINESS STUDIES**

### **Instructions**

❖ Answer ALL the questions in section ONE in the spaces provided and ALL questions in section II in the given foolscaps.

|   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |
|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
|   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |

|    |    |    |    |
|----|----|----|----|
| 16 | 17 | 18 | 19 |
|    |    |    |    |

**TOTAL**

**SECTION I (30 marks)**

1. Outline four measures that the government of Kenya has put in place to protect consumers from unscrupulous business practices. {4 marks}

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2. Outline four differences between a public company and public corporation. {4 marks}

| Public company | Public corporation |
|----------------|--------------------|
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3. State four internal factors that may negatively affect the operation of business towards achievement of its goals. {4 marks}

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4. Give four measures that a firm should take to improve the performance of it's labour force. {4 marks}

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5. Define the following terms:- {4 marks}

- a) Specialisation .....
- b) Amalgamation .....
- c) Entrepreneurship .....
- d) Premium .....

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6. State four documents which are required to be filed with the registrar of companies to facilitate the registration of Private Limited Company. {4 marks}

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7. State four essentials of effective communication. {4 marks}

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8. List four mailing services offered by Postal Corporation of Kenya. {4 marks}

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9. For the success of business, business plan is a key tool. State four importance of a business plan. {4 marks}

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10. State four benefits that may accrue to a firm that uses modern technology. {4 marks}

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11. Give four reasons why direct production is not superior to indirect production in Kenya. {4 marks}

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12. Duncan, an organizational manager has been experiencing problem of damage, loss and destruction of organizational property. List four measures he should take in safeguarding and controlling the organizational property.

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13. State four advantages of Bonded Warehouses to the government of Kenya. {4 marks}

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14. Kimtai insured his house whose actual value is sh. 2,600,000 at sh. 1,500,000 against fire. Later the house was gutted by fire and an actual loss incurred was Ksh. 1,300,000. Calculate the compensation. {4 marks}

15. State four circumstances under which personal selling is appropriate to any trader as a method of product promotion. {4 marks}

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**SECTION II (40 MARKS)**

**Answer all the questions in the given foolscaps**

16. Explain five principles of insurance which the insurer and the insured must follow in the insurance contract. {10 marks}
17. Discuss five factors that influence the choice of an appropriate means of transport. {10 marks}
18. Explain five factors that promote Entrepreneurial practice in Kenya. {10 marks}
- 19(a) Outline five circumstances under which a properly written cheque can be dishonored. {5 marks}
- b) Describe five characteristics of services. {5 marks}