

NAME _____ ADM/NO _____

SCHOOL _____ CLASS _____

565/1/2

BUSINESS STUDIES

FORM 2

MARCH 2019

TIME: 2 HRS

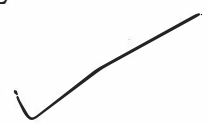
INSTRUCTIONS TO CANDIDATES

- (a) Write your name, admission number, class and name of the school on the spaces provided above
- (b) Answer all question in section A and any five question in section B
- (c) Write your answers in the spaces provided
- (d) All answers should be written in English

FOR EXAMINER USE

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18

TOTAL



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SECTION A: Answer all the questions

1. Name **four** factors that may influence a business negatively yet the business has no control over them (4mks)

- (a) _____
- _____
- (b) _____
- _____
- (c) _____
- _____
- (d) _____
- _____

2. The following are descriptions of human wants. Identify the feature that relates to the description in the spaces below (4mks)

	Description	Feature
(a)	A person is unable to satisfy all wants	
(b)	Once satisfied they have a tendency of being satisfied again and again	
(c)	Some wants are satisfied together	
(d)	The same wants can be satisfied using different resources	

3. Identify the type of utility created by each of the following activities (5mks)

	Commercial activity	
(a)	Online exchange	
(b)	Making jam from tomatoes	
(c)	Transporting water through a pipe	
(d)	Buying a textbook	

4. Outline **five** factors that may lead to business success in Kenya (5mks)

- (a) _____
- _____
- (b) _____
- _____

- (c) _____

- (d) _____

- (e) _____

5. Outline **four** circumstances under which a credit note may be used (4mks)

- (a) _____

- (b) _____

- (c) _____

- (d) _____

6 Mention **four** advantages of an open office layout to an organization (4mks)

- (a) _____

- (b) _____

- (c) _____

- (d) _____

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7. In the spaces provided, name the form of business organization described by each of the following features (4mks)

	Description	Business Organization
(a)	Each member has only one vote	
(b)	Prepares a prospectus	
(c)	Each of the owners may act on behalf of the business	
(d)	Formed by an act of parliament and assigned to the relevant ministry	

8. State **five** reasons to justify the training of business people by the government (4mks)

- (a) _____

- (b) _____

- (c) _____

- (d) _____

(4mks)

9. Most corporate bodies today have established a customer care desk. Outline the functions of the customer care desk (4mks)

- (a) _____

- (b) _____

- (c) _____

- (d) _____

10. Mention **four** services rendered by retailer to consumers (4mks)

- (a) _____

- (b) _____
- _____
- (c) _____
- _____
- (d) _____
- _____

11. Identify the type of partner described by each of the following statements (4mks)

- (a) An influential citizen who allows the partnership to use his name, yet he does not contribute any capital -
- (b) Is a fifty year old member -
- (c) Liable to partnerships debt only up to capital contributed -
- (d) Participates in day to day running of the partnership -

12. In the spaces provided below, indicate with a tick (✓) the type of share of the following statement relate to

(4mks)

	Statement	Preference shares	Ordinary shares
(a)	Redeemable		
(b)	Considered first in liquidation		
(c)	May be cumulative		
(d)	Represent ownership		

SECTION B: Answer any five questions

13. Explain five ways in which a government regulates businesses (10mks)

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