

NAME..... ADM NO.....

SCHOOL..... CANDIDATES SIGN.....

DATE

565/1/2
BUSINESS STUDIES
FORM 2
END OF TERM THREE
TIME: 2 ¼ HOURS

END OF TERM (III) EXAMINATION -2019

Kenya Certificate of Secondary Education (K.C.S.E)

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BUSINESS STUDIES
FORM 2
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INSTRUCTIONS TO THE CANDIDATES

- Write your name, Admission number, class and name of your school in the spaces provided.
- Answer all questions

1	2	3	4	5	6	7	8	9	10	11	12

13	14	15	16	17

TOTAL

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1. Highlight **four** factors that may encourage entrepreneurship in Kenya. (4mks)

- a)
- b)
- c)
- d)

2. Outline **four** characteristic of public corporations (4mks)

- a)
- b)
- c)
- d)

3. Outline **four** circumstance under which an organization may prefer to use letters for its official communication (4mks)

- a)
- b)
- c)
- d)
- e)

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4. Justin and Bieber bought a building, jointly for Kshs. 800,000 with Justin contributing Kshs. 600,000 and Bieber contributing the rest. They later insured the building against the risk of fire for Kshs, 700,000. Fire destroyed part of the building valued at Kshs. 400,000. Calculate the amount of compensation each received from the insurer. (4mks)

5. Mention the business document to which each of the following description related.(5mks)

Description	Document
(i) Reduces the liability of the buyer	
(ii) Inform the buyer that goods ordered have been dispatched	
(iii) Use of show goods sold on credit	
(iv) To acknowledge that debts exist	
(v) It is a booklet containing brief description of products	

6. The table below shows various business activities that are carried out by people. Classify them.

Description	Business Activity
a) Converting tea leaves to tea	
b) A doctor treating victims of Dusit 2 terror attack	
c) Burning charcoal in Mau Forest	
d) Building of the Standard Gauge Railway from Nairobi to Naivasha	

7. Outline **four** factors that may account for predominant direct production in a country (4mks)

- a)
- b)
- c)
- d)

8. Mention **four** rights consumers have in their pursuit of satisfying their wants (4mks)

- a)
- b)
- c)
- d)

9. State **four** characteristics of economic resources (4mks)

- a)
- b)
- c)
- d)

10. In most administration offices, officers are accommodated in their own offices. State four advantages associated with the kind of arrangement. (4mks)

- a)
- b)
- c)
- d)

11. Outline **five** circumstance under which a trader may choose to transport his goods by air.(5mks)

- a)
- b)
- c)

