

NAME _____ CLASS _____ ADM/NO _____

SCHOOL: _____

FORM 3: BUSINESS STUDIES 565/1/2

END OF TERM 1 2019

MARCH 2019

TIME: 2 HRS

INSTRUCTIONS TO STUDENTS

- (a) Write your name, admission number, class and name of your school on the spaces provided above
- (b) Answer ALL questions in section A and any FIVE questions in Section B
- (c) Answers should be written in the spaces provided
- (d) All answer must be written in English

FOR OFFICIAL USE

SECTION A

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

SECTION B

13	14	15	16	17	18

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TOTAL



SECTION A: ANSWER ALL QUESTIONS

1. State **four** external factors that may negatively influence the operations of a business (4mks)

(a) _____

(b) _____

(c) _____

(d) _____

2. Mambo is an ambitious entrepreneur who intends to start a large scale Yoghurt processing business. Outline **four** reasons why he must prepare a business plan before he starts up (4mks)

(a) _____

(b) _____

(c) _____

(d) _____

3. Identify the office machine used to perform each of the following functions

	Function	Office Machine
(a)	Trimming documents into required sizes and shapes	
(b)	Producing cash receipts reflecting tax paid	
(c)	Counting money	
(d)	Destroying confidential material no longer or needed	

4. Mention **four** measures the government may undertake to provide investors with an enabling business environment (4mks)
- (a) _____
- (b) _____
- (c) _____
- (d) _____
5. State **four** factors that may make a school to use a letter instead of a telephone in placing orders for books from a publisher.
- (a) _____
- (b) _____
- (c) _____
- (d) _____
6. Outline **four** ways in which consumers are likely to suffer in a situation where there are no warehousing services (4mks)
- (a) _____
- (b) _____
- (c) _____
- (d) _____
7. **Wakulima Enterprises** acquired a building valued at sh 1,000 000 on 1st January 2017. The building was insured with two insurance companies Blue Shield and Amaco for sh 600,000 and 400,000 respectively
- In May 2017 fire damaged the building causing Wakulima Enterprises to suffer a loss of 20% of the building value. **Calculate** the amount that was contributed by Blueshield and Amaco to cover the loss (4mks)

8. Product promotion should be legal, decent, honest and truthful. State **five** unacceptable practices a trader may engage in or during product promotion (5mks)

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

9. **Saruji Safi Ltd** is a new cement manufacturer. Outline **four** external economies of scale the firm may get if it starts operations at Bamburi. (4mks)

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

10. Classify the following resources as either economic or non-economic (5mks)

- (a) Air -
- (b) Gold -
- (c) Pineapples for making pineapple juice -
- (d) Piped water -
- (e) Sun shine -

11. Highlight **four** negative effects of an ageing population to an economy (4mks)

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

12. Wholesalers and retailers are important in the chain of distribution. However there are instances when they are eliminated from the chain. Identify **four** of these instances

(a) _____

(b) _____

(c) _____

(d) _____

(4mks)

SECTION B: ANSWER ANY 5 QUESTIONS

13. Many schools in Kenya have purchased school buses through hire purchase finance. Explain any five reasons why many companies are offering hire purchase schemes to their customers. (10mks)

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16. Explain five differences between perfect competition and monopoly market (10mks)

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17. Explain **five** reasons why consumers need protection against malpractices by some traders (10mks)

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