**NAME………………………………………………………..CLASS…………ADM……….**

**BUSINESS STUDIES**

**FORM 3**

**PAPER 2**

**END TERM 1**

**TIME: 2 HRS 30 MINUTES**

***INSTRUCTIONS: Answer any five questions***

1. (a) Explain **FIVE** types of unemployment (10 mks)

 (b) Describe **FIVE** channels of distribution that may be followed by imported manufactured goods (10 mks)

1. a) Explain **five** ways in which the government may encourage delocalization of firms. (10 marks)

 b) In the recent past, many small businesses in Kenya have expanded and grown into

large enterprises. Explain **five** causes of business success in Kenya. (10 marks)

1. a) The diagram below shows a shift of the supply curve of a commodity

from S1S1 to S2S2. Explain **five** factors that would have caused the shift.

 (10 marks)

S2

S2

S1

S1

Quantity supplied

Prices (Shs)

 b) Ramji operates a large hardware business in a town in Kenya. Apart from

 motor vehicle insurance policies, highlight giving reasons, **five** insurance

 policies that may be beneficial for this business. (10 marks)

 4. (a) Explain **five** limitations of using posters as a medium of product promotion (10mks)

 (b) Explain **five** circumstances under which a partnership could be dissolved (10mks)

 5. a) Outline **five** differences between land and labour as a factor of production.

(10 marks)

 b) Outline **five** uses of National income statistics to a country. (10 marks)

 6. (a) Explain **five** factors that a business may consider when choosing an office layout.

*(10 marks)*

 (b) Explain five effects of a declining populating to an economy. (10 mks)