**HOLA SECONDARY SCHOOL**

**BUSINESS STUDIES**

**MID-TERM EXAMINATION**

**TERM TWO 2016**

**FORM TWO**

**TIME: 1 HOUR: 30 MINUTES**

**NAME\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ADM/NO\_\_\_\_\_\_\_\_\_\_\_CLASS\_\_\_\_\_\_\_\_\_\_\_**

**INSTRUCTIONS: ANSWER ALL QUESTIONS IN THE SPACE PROVIDED.**

1. Outline four types of partners. (4mks)

2. State the advantages of sole proprietorship. (4mks)

3. Highlight four circumstances under which a partnership may be dissolved. (4mks

4. Explain two sources of capital for companies. (4mks)

5. Outline four disadvantages of public companies. (4mks)

6. What is transport? (2mks)

7. Give the four elements of transport. (2mks)

8. State four importance of transport to business. (4mks)

9. Explain two types of water vessels. (4mks)

10. Outline four factors that influence choice of appropriate means of transport. (4mks)

11. Name four disadvantages of Matatu6. (4mks)

12. Explain five roles of the stock exchange as a market of securities in the economy. (5mks)

13. State four advantages of division of labour. (4mks)

14. Outline four characteristics of direct production. (4mks)

15. Highlight the five principles under which co-operate societies should be managed. (5mks)

16. Give three disadvantages of railway transport in Kenya. (3mks)

17. Outline four limitations of containerization. (4mks)

18. Outline five differences between a good and a service. (5mks)