**FORM TWO**

**JUNE 2016**

**TIME 2 HOURS**

**NAME --------------------------------------------------------CLASS----------------ADM NO-------------**

**Instructions**

Answer all questions in the spaces provided.

1. State four reasons why the government licenses business activities. (4mks)

i)--------------------------------------------------------------------------------------------------------------

ii)-------------------------------------------------------------------------------------------------------------

iii)-------------------------------------------------------------------------------------------------------------

iv)-------------------------------------------------------------------------------------------------------------

2.Outline four advantages to a society that engages indirect production (4mks)

i)--------------------------------------------------------------------------------------------------------------

ii)-------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------

iv)-------------------------------------------------------------------------------------------------------------

3.Highlight four ways in which a letter differs from a memo. (4mks)

i)--------------------------------------------------------------------------------------------------------------

ii)-------------------------------------------------------------------------------------------------------------

iii)-------------------------------------------------------------------------------------------------------------

iv)-------------------------------------------------------------------------------------------------------------

4. Classify each of the following resources as either human, manmade or natural resources. (4mks)

|  |  |
| --- | --- |
| **Resource** | **Classification** |
| i) Fluorspar |  |
| ii) Geothermal power |  |
| iii) Dams |  |
| v) Teaching |  |

5. Outline two types of producer goods. Give an example of each. (4mks)

i)------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------ii)-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

6.Indicate the right office etiquette as per the following description. (4mks)

|  |  |
| --- | --- |
| **Description** | **Office etiquette** |
| i)Ability to create and implement ideas |  |
| ii) Performing duties with excellence, precision and correctness |  |
| Iii)Ability to tell the truth and be sincere |  |
| iv) iii) Commitment an employee has to the organization she works for. |  |

7. Outline four circumstances under which a cooperative society may be dissolved. (4mks)

i)-------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------

iv)----------------------------------------------------------------------------------------------------------

8. State any four contents of the articles of association. (4mks)

i)--------------------------------------------------------------------------------------------------------------

ii)-------------------------------------------------------------------------------------------------------------

iii)-------------------------------------------------------------------------------------------------------------

iv)-------------------------------------------------------------------------------------------------------------

9. Highlight four ways in which a well laid out business plan may lead to the success of the business. (4mks)

i)------------------------------------------------------------------------------------------------------------

ii)-------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------

10. State any four differences between public and private limited companies. (4mks)

|  |  |
| --- | --- |
| Private limited companies | Public Limited Companies |
| i) |  |
| ii) |  |
| iii) |  |
| iv) |  |

11. Mention any four services offered by retailers consumers. (4mks)

i)------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

12. Mention any four factors that encourage entrepreneurial practices in the country. (4mks)

i)-----------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

13. State four types of complaints that a consumer organization may receive from consumers. (4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)----------------------------------------------------------------------------------------------------------------

iv)----------------------------------------------------------------------------------------------------------------

14. State four circumstances under which air transport may be used to transport goods. (4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

15.Outline any four factors that an entrepreneur would consider when evaluating a business opportunity. (4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

16.The following are some of the documents used in home trade. Cash sale receipt, catalogue, invoice and statement of account. Match each document with the appropriate description provided in the table below.

|  |  |
| --- | --- |
| **Description** | **Document** |
| a)Shows details of goods offered for sale |  |
| b)Give quantity, unit price and total amount to be paid |  |
| c)Shows transactions since the date of last statement |  |
| d)Shows description of goods bought, prices and total amounts paid. |  |

17. State four advantages of an open office layout to an organization. (4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

18. State four ways in which Kenya as a country can conserve her economic resources. (4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

19. Outline any four advantages the use of letter has over telephone. (4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)--------------------------------------------------------------------------------------------------------------

20.Highlight four factors that could influence the mobility of labour as a factor of production. (4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

21.Outline four reasons why the computer is fast overtaking the typewriter as an equipment for producing documents in offices. (4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

22. State four specific duties performed by Kenyan commercial attaches in their foreign offices. (4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

23. Outline any four limitations of containerization. (4mks)

i)----------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)---------------------------------------------------------------------------------------------------------------

24.Mention any four government initiated methods of consumer protection.(4mks)

i)-------------------------------------------------------------------------------------------------------------------

ii)------------------------------------------------------------------------------------------------------------------

iii)-----------------------------------------------------------------------------------------------------------------

iv)-----------------------------------------------------------------------------------------------------------------

25. In the table given below state any four differences between ordinary shares and preference shares. (4mks)

|  |  |
| --- | --- |
| **Ordinary shares** | **Preference shares** |
| i) |  |
| Ii) |  |
| iii) |  |
| iv) |  |