**SUNSHINE SECONDARY SCHOOL**

**FORM 2**

**BUSINESS STUDIES**

**ENDTERM EXAMS –MAY/JUNE 2014**

**TIME:2HRS**

**NAME………………………………………………………… ADMIN NO………CLASS……**

**INSTRUCTION**

Answer all the questions in this Booklet

1. Highlight four disadvantages of office machine (4mks)

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1. Explain the difference between the following goods
2. Free goods and economic goods (2mks)

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1. Intermediate goods and finished goods (2mks)

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1. State the difference between private limited company and public limited company. (4 mks)

|  |  |  |
| --- | --- | --- |
|  | Private Limited Co. | Public Limited Co. |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

1. Identify the level of production and give examples (4mks)

|  |  |  |
| --- | --- | --- |
| Level | Nature | Examples |
| 1. Primary
 | Extraction |  |
| 1. Secondary
 | ProcessingConstructure |  |
| 1. Tertiary
 | Direct personal Service |  |

5. Explain four sources of capital for co-operatives (4mks)

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7. Maganda sold goods at 20,000 on credit to Chevakali Merchandise after allowing them a trade discount of 10%. The cash discount was quoted as follows 10% within 2 weeks, 5% 1 month otherwise net.

i) Calculate the amount payable after two weeks but before the end of 1 month (4mks)

8. Highlight four importance of trade to the society members (4mks)

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9. Fill in the blank space with the correct term (4mks)

Trade

Home Trade

Retail Trade

10. Outline four characteristics of indirect production (4mks)

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11. State four benefits of joining saving and credit co-operation (4mks)

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12. Highlight four reasons why we satisfy basic wants before secondary wants (4mks)

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14. In the spaces provided in the table below, name the type of partner described by each

 statement. (4mks)

|  |  |
| --- | --- |
| Statement | Type of Partner |
| 1. Does not contribute capital but allows his name to be used in the business
 |  |
| 1. It is above 18 years
 |  |
| 1. It has limited liabilities
 |  |
| 1. Is involved in day to day operations of the partnership
 |  |

15. Highlight four ways in which clothing satisfies human wants (4mks)

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16. State four ways in which an organization can improve the productivity of its human

 resources. (4mks)

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17. Highlight four characteristics of a sole proprietorship (4mks)

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18. Highlight four merit of E-Commerce (4mks)

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19. Outline four external business environment (4mks)

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20. Outline four Aid to trade that support Business activities (4mks)

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21. Differentiate between goods and services

|  |  |
| --- | --- |
| i) |  |
| ii) |  |
| iii) |  |
| iv) |  |

22. Highlight four advantages of divison of labour (4mks)

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23. State the rewards for the following factors of production (4mks)

|  |  |
| --- | --- |
| Factors | Reward |
| 1. Quarry
 |  |
| 1. Business loan
 |  |
| 1. Business Manager
 |  |
| 1. Business Owner
 |  |

24. Outline 4 features/characteristics of a parastatal.

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………………………………………………………………………………………………………25. Outline four advantages of having a business plan (4mks)

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