**HOLA SECONDARY SCHOOL**

**BUSINESS STUDIES**

**END OF YEAR EXAMINATION**

**YEAR 2011**

**TERM THREE**

**FORM TWO**

**TIME:**

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

**Instructions: Answer all questions in the spaces provided.**

1. Give four disadvantages of publicity. (4mks)

2. Name four sources of business ideas. (4mks)

3. Tutu insured his business premise worth Kshs. 800,000 against burning by fire for Kshs. 600,000. Fire occurred and destroyed the premise to the tune of Kshs. 400,000. Calculate the amount of compensation that Tutu will receive from the insurance company. (4mks)

4. Given the following factors: **Cultural environment, Economic environment, Business structure, Management style and objectives**. Identify whether they are internal or external business environmental factors. (4mks)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Factor** | **Internal** | **External** |
| a) | Cultural environment |  |  |
| b) | Economic environment |  |  |
| c) | Business structure |  |  |
| d) | Management style and objectives |  |  |

5. Personal selling is a promotional method of selling goods by having a face to face conversation between the seller and the buyer. Give four disadvantages of selling goods using personal selling. (4mks)

6. State four differences between **Hire Purchase (HP) and Instalment buying (Credit purchase)**

|  |  |  |
| --- | --- | --- |
|  | **Hire Purchase** | **Credit Purchase** |
|  |  |  |

7. Name four importance of warehousing. (4mks)

8. Tramps and liners are used in water transport. Write four distinguishing differences between tramps and liners. (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Liners** | **Tramps** |
|  |  |  |

9. Despite the benefits derived from the use of office machines; they pose some problems. List four disadvantages of using office machines. (4mks)

10. State four properties of land as a factor of production. (4mks)

11. There is a big difference between insurance and gambling. State any four differences between Insurance and gambling.

|  |  |  |
| --- | --- | --- |
|  | **Insurance** | **Gambling** |
|  |  |  |

12. The following are types of office staff. **Receptionist, Personal secretary, General** **Manager, Typist**. Match them with their corresponding duties. (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Duties** | **Office Staff** |
| a) | Concerned with planning co-ordinating, controlling all the activities of the organization. |  |
| b) | Concerned with taking and passing messages, Receiving and directing visitors to their respective destinations within the organization. |  |
| c) | Concerned with keeping the diary and arranging the appointments and engagements for the boss. |  |
| d) | Concerned with reproduction of documents and filing (of documents). |  |

13. When a Company wants cash, it may sell shares to the public or borrow from the public by issuing dentures: Name four distinguishing differences between shares and debentures.

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| --- | --- | --- |
|  | **Shares** | **Debentures** |
|  |  |  |

14. Kushushu bought goods worth Kshs. 40,000 on credit from Mlachake traders. He was given 10% trade discount and a further cash discount under the following terms.

15% if payment is made within 1 week

10% if payment is made within 2 weeks

6% if payment is made within 3 weeks

Kushushu paid for the goods after 16 days: Calculate:

a) Amount of trade discount Kushushu got. (1mk)

b) Amount of cash discount Kushushu got. (1mk)

c) Amount of cash that Kushushu paid to Mlachake traders. ( 2mks)

15. The following are some methods used in product promotion: **Publicity, Personal selling, Public relations, advertising.**

Match them with their corresponding statements. (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Statement** | **Promotion Method** |
| a) | Aimed at creating promoting or maintaining a good/favourable image of the company to the Public. |  |
| b) | Selling goods to the customers by having a face to face conversation. |  |
| c) | A paid form of impersonal presentation of a product made through the mass media. |  |
| d) | A non-paid form of impersonal selling where the firm arranges to have its products reviewed in the mass media by an independent specialist. |  |

16. In recent times the Kenyan government has taken stringent steps in protecting consumers. Account for four reasons why the government need to protect consumers. (4mks)

17. Modern production is based on the principles of division of labour and specialisation. List four disadvantages brought by division of labour and specialization. (4mks)

18. Hola Secondary School want to improve on their existing filing system. Give four characteristics of a good filing system. (4mks)

19. Matatu assists in transporting a good and passengers from place to the next destination. Name four advantages of matatus as mode of transport. (4mks)

20. There are so many means of communication availability to a person. List four factors one should consider when selecting a means of communication. (4mks)

**THE END**

**MERRY X – MASS AND A PROPEROUS NEW YEAR (2012)**

**FROM: BUSINESS STUDIES SECTION**

**TECHNICAL AND APPLIED SUBJECTS DEPARTMENT**