**HOLA SECONDARY SCHOOL**

**BUSINESS STUDIES**

**MID TERM EXAMINATION**

**YEAR 2012**

**TERM TWO**

**FORM TWO**

**TIME: 2 HOURS**

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

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

1. Name four distinguishing differences between whole life policy and endowment policy. (4mks)

|  |  |
| --- | --- |
| **Whole Life Policy** | **Endowment Policy** |
|  |  |

1. The following are types of wholesaler**: Rock Jobbers, National wide wholesalers, Specialised wholesalers, Mobile Wholesalers.**

**M**atch them with their corresponding statement.

|  |  |
| --- | --- |
| **Statement** | **wholesaler** |
| a) They deal in particular goods from a given line a product |  |
| b) Specialised in selling particular products to the other specialized wholesaler. |  |
| c) Use vehicles to go round selling products to traders  |  |
| d) Distribute products to all parts of the country |  |

1. The following statements refer to types of insurance policies. Identify the tyupe of policy reffered thereon:
2. Covers employees who may suffer injuries while on official duty.
3. Cover a group of ships under one policy:
4. Covers against loss or damage caused to good or premises by accidental leakages from fire fighting sprinkler.
5. The assured is required to pay premiums until he dies
6. Highlight four factors that may limit the use of telephone as a means of communication in Kenya. (4mks)
7. In the spaces provided below, indicate with a tick whether each of the following statement related to preferences or ordinary shares.

|  |  |  |
| --- | --- | --- |
| **Statement** | **Preference shares** | **Ordinary shares.** |
| a) Represents ownership |  |  |
| b) Rate of dividend is fixed |  |  |
| c) Has voting rights |  |  |
| d) considered first in liquidation |  |  |

1. State the unit of carriage for each of the following mode of transport. (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Modes of transport** | **Unit of Carriage** |
| a) | Porterage |  |
| b) | Sea |  |
| c) | Road |  |
| d) | air |  |

1. The following table shows various functions of office machines and equipment. Identify the type of machine against the function.

|  |  |  |
| --- | --- | --- |
|  | **Office Task/function** | **Equipment** |
| a) | Printing stamps impressions on envelopes |  |
| b) | Cutting paper into required sizes |  |
| c) | Pinning papers together |  |
| d) | Recording, processing, storing and retrieval of information  |  |

8. . Give four circumstances under which an insurance would not the insured in the event of the loss.

1. In the spaces provided name the type of business organization described by each of the following features.

|  |  |
| --- | --- |
| **Description** | **Business Organisation** |
| a) Each member has got only vote |  |
| b) The business enjoys perpetual succession. |  |
| c) Each member may act on behalf of the business |  |
| d) Formed by an Act of parliament. |  |

1. Give four advantages of using credit card (plastic money) (4mks)
2. Name the factor that each of the following resource relate to. (5mks)

|  |  |
| --- | --- |
| **Resource** | **Factor of production** |
| Manager |  |
| Vehicle |  |
| Cotton |  |
| Water |  |
| Owner |  |

1. State four insurance policies that the owner of a supermarket may find it useful for the business. (4mks)
2. Give four limitation of (the Kenya consumer organization KCO) consumer initiated methods of protecting consumers. (4mks)
3. Jarah wants to invest his money in a particular business opportunity.
4. State any four factors that he should consider before deciding which business opportunity to invest his money. (4mks)
5. Give four reasons why Hola secondary School may prefer to transport sixty students to the National Ball games in Nairobi by train rather than by bus. (4mks)
6. State any four functions of the commercial attaches. (4mks)

1. The following are types of marine losses: Constructive total loss, Actual Total Loss, Particular average, General average.

Match them with their corresponding

|  |  |
| --- | --- |
| **Statement** | **Type of loss** |
| a) An accidental damage on either the ship or cargo. |  |
| b) The insured ship is extensively damage and is abandoned since, the cost of salvaging it would be more than the wreckage. |  |
| c) A deliberate damage to the ship and cargo so as to prevent total destruction of the ship. |  |
| d) Damage to the ship and cargo that whatever remains has got no commercial value to the owner. |  |

1. State four principles of co-operative societies. (4mks)
2. More business are adopting the use of open plan office layouts. Nme four advantages of open plan office layouts. (4mks)
3. Give four factors that may necessitate re-insurance. (4mks)