**HOLA SECONDARY SCHOOL**

**BUSINESS STUDIES**

**MID TERM EXAMINATION**

**YEAR 2012**

**TERM TWO**

**FORM ONE**

**TIME:**

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

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

1. The following are types of business environments.

Competitive environment

Business Culture

Management style and objectives

Socio – cultural environment

Match them with their corresponding type.

|  |  |  |
| --- | --- | --- |
|  | **Environment** | **Type of Environment** |
| a) | Competitive environment |  |
| b) | Business culture |  |
| c) | Management style and objectives |  |
| d) | Socio – cultural environment |  |

1. Identify four ethical issues in business. (4mks)
2. Name four properties of land as a factor of production. (4mks)
3. Name the factor that each of the following resources relate to.

|  |  |
| --- | --- |
| **Resource** | **Factor of Production** |
| Manager |  |
| Vehicle |  |
| Cotton |  |
| Owner |  |

1. Give four characteristics of economic resources. (4mks)
2. State four characteristics of an entrepreneur. (4mks)
3. Give four disadvantages of division of labour and specialization. (4mks)
4. The following are types of occupations: **Teaching, Lumbering, Road Building, Banking**

Match them with their corresponding levels of production. (4mks)

|  |  |
| --- | --- |
| ***Occupation*** | ***Level of Production*** |
| Teaching |  |
| Lumbering |  |
| Road Building |  |
| Banking |  |

1. Give four distinguishing features between goods and services. (4mks)

|  |  |
| --- | --- |
| **Goods** | **Services** |
|  |  |

1. Give four factors that influence entrepreneurial practices in Kenya. (4mks)
2. Identify the factor rewards in each of the following types of factors of production. (4mks)

|  |  |
| --- | --- |
| **Factor of Production** | **Factor Reward** |
| Land |  |
| Labour |  |
| Capital |  |
| Entrepreneurship |  |

1. Give four uses of a business plan. (4mks)
2. State the type of utility created in the following situations. (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Situation** | **Utility created** |
| a) | Making a Trouser from a piece of cloth |  |
| b) | Storing the trouser to be put on during Christmas |  |
| c) | Selling the trouser to a customer |  |
| d) | Transport the trouser from school to the village |  |

1. Give four sources of business ideas. (4mks)
2. Identify the type of human wants (basic or Secondary) (4mks)

|  |  |
| --- | --- |
| **Human Want** | **Type of Human Want** |
| Air |  |
| Food |  |
| Entertainment |  |
| Nursing |  |