**SUNSHINE SCHOOL**

**FORM 2**

**BUSINESS STUDIES**

**END TERM EXAM - OCT. 2015**

**TIME: 2 HRS**

**NAME: …………………………………………………..CLASS:………….ADM NO:……..**

**Instructions to candidates**

1. Write your Name and Adm. Number in the spaces provided above.
2. Answer **ALL** the questions.
3. All answers must be written in the spaces provided.
4. Candidates should check the question paper to ascertain that all the pages are printed as indicated and no of questions missing.
5. This paper consists of … printed pages.
6. Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.
7. Candidates should answer all the questions in English.

**For Examiners Use Only**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Questions | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| Marks |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| Questions | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| Marks |  |  |  |  |  |  |  |  |  |  |  |  |  |

 **Total marks**

1. Outline any four characteristics of Economic resources. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) …………………………………………………………………………………………….

(iv) …………………………………………………………………………………………….

1. It is very difficult to fully satisfy human wants. Give four reasons to justify this statement. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) …………………………………………………………………………………………….

(iv) …………………………………………………………………………………………….

1. Classify each of the following as either generic or enterprise competition. (4 mks)

(i) A coffee seller, competing with a tea seller.

(ii) Milimani bookshop competing with Kitabu bookshop in selling of books.

(iii) Msingi High School competing with Top level school for Academic performance.

(iv) Athletes competing for gold medals in the world cup.

1. Name the factor of production that receives each of the following rewards. (4 mks)

(i) Profit……..……………………………………………………………………………….

(ii) Interest…………………………………………………………………………………….

(iii) Royalties………………………………………………………………………………….

(iv) Salaries ……………………………………………………………………………..……

1. Give four reasons why direct production is still practiced, especially in developing countries, despite the many advantages of indirect production. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) …………………………………………………………………………………………….

(iv) ………………………………………………………………………………………………

1. State four methods of product promotion. (4 mks)

i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) …………………………………………………………………………………………….

(iv) ………………………………………………………………………………………………

1. List down four types of small-scale retailers without shops. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) …………………………………………………………………………………………….

(iv) ………………………………………………………………………………………………

1. State four characteristics of public corporation. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) …………………………………………………………………………………………….

(iv) ………………………………………………………………………………………………

1. Outline any four elements of transport. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) …………………………………………………………………………………………….

(iv) …………………………………………………………………………………………...

1. Highlight four problems associated with the use of sign language as a means of communication. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) ………………………...………………………………………………………………….

(iv) ………………………………..…………………………………………………………...

1. Complete the following chart which shows the divisions of trade.

Trade

International trade

Home Trade

a

d

c

b

1. Highlight any four factors that may contribute to business success. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) ………………………...………………………………………………………………….

(iv) ………………………………..…………………………………………………………...

1. Outline any four factors to be considered when choosing a method of reproducing documents. (2 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) ………………………...………………………………………………………………….

(iv) ………………………………..…………………………………………………………...

1. Give any four unethical practices in product promotion. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) ………………………...………………………………………………………………….

(iv) ………………………………..…………………………………………………………...

1. Elephant enterprises acquired a building valued at Ksh 1,000,000 on 1st Jan 2007. The building was insured with two insurance companies Zebra and Simba for Ksh 600,000 and Ksh 400,000 respectively. In May 2007, fire damaged the building causing Elephant enterprises to suffer a loss of 20% of the building value. Determine the contribution made by Zebra and Simba to cover the loss. (4 mks)
2. The following are types of advertisements: product, competitive, informative and institutional advertising. In the table below, match each type with its appropriate description.

|  |  |  |
| --- | --- | --- |
|  | Description | Type |
| (a) | creates awareness of the product. |  |
| (b) | promotes the name of the manufacturer |  |
| (c) | persuades the consumers to buy the products. |  |
| (d) | promotes a particular brand of a product. |  |

1. Give any four disciplines covered in business studies. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) ………………………...………………………………………………………………….

(iv) ………………………………..…………………………………………………………...

1. Name the type of business organization described in each of the following. (4 mks)

(i) Formed by act of parliament.

(ii) May have infinite membership.

(iii) Managed by a committee.

(iv) Formed by between two to fifty partners.

1. Give four features of a bonded warehouse. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) ………………………...………………………………………………………………….

(iv) ………………………………..…………………………………………………………...

1. Give four differences between liners and tramps. (4 mks)

|  |  |  |
| --- | --- | --- |
|  | Liners | Tramps |
| (i) |  |  |
| (ii) |  |  |
| (iii) |  |  |
| (iv) |  |  |

1. Highlight any four circumstances under which trade, fairs and exhibitions may not achieve the desired objective (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) ………………………...………………………………………………………………….

(iv) ………………………………..…………………………………………………………...

1. Outline any four types of utilities. (4 mks)

(i) …………………………………………………………………………………………….

(ii) …………………………………………………………………………………………….

(iii) ………………………...………………………………………………………………….

(iv) ………………………………..…………………………………………………………...