**HOLA SECONDARY SCHOOL**

**BUSINESS STUDIES**

**MID TERM EXAMINATION**

**YEAR 2013**

**TERM ONE**

**FORM 2**

**TIME:**

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

**INSTRUCTION: ANSWER ALL THE QUESTIONS IN SPACES PROVIDED**

1. State whether each of the following factors fall under micro environment or macro environment.
2. Competitive environment
3. Legal –political environment
4. Business structure
5. Business culture. (4mks)
6. Outline four ways in which commerce satisfies human wants. (4mks)
7. Classify each of the following activities as either primary, secondary or tertiary. (4mks)

|  |  |
| --- | --- |
| **Activity** | **Classification** |
| a) Planting Maize |  |
| b) Grinding maize |  |
| c) Selling maize |  |
| d) Harvesting maize |  |

1. List four sources of a business idea. (4mks)
2. Outing four roles of filing in an office. (4mks)
3. Highlight four advantages of a landscape office layout. (4mks)
4. Match the following table with the appropriate document given (proforma Invoice, Credit note, Debit note, and invoice. (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Purpose of document** | **Name of the document** |
| a) | Used to correct an overcharge |  |
| b) | Sent before the goods are delivered showing how the invoice would look like. |  |
| c) | To correct an undercharge |  |
| d) | To demand for payment |  |

1. State four circumstances under which a cheque may be dishonoured. (4mks)
2. High four difference between postal order and Money order. (4mks)

|  |  |
| --- | --- |
| **Postal Order** | **Money Order** |
|  |  |

1. Outline four advantages of sole proprietorship over partnership. (4mks)
2. Under what circumstances can sole proprietorship may be dissolved? (4mks)
3. State two sources of capital for partnership. (2mks)
4. Distinguish between the following types of partners. (4mks)
5. Active partner
6. Dormant partner
7. Real partner
8. Major partner