**HOLA SECONDARY SCHOOL**

**MID TERM EXAMINATION**

**BUSINESS STUDIES**

**YEAR 2017**

**TERM ONE**

**FORM 2**

**TIME: 2 HOURS**

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

**INSTRUCTIONS: ANSWER ALL QUESTIONS**

1. Explain the meaning of the following terms. (2mks)

a) Generic competition

b) Business environment

2. Distinguish between Natural resources and Human resources. (2mks)

3. State four characteristics of direct production. (4mks)

4. Complete the table below: (4mks)

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

5. Outline four reasons as to why entrepreneurship is important to an economy. (4mks)

7. Highlight any four sources of Business ideas. (4mks)

8. Outline four factors that would lead to business success in Kenya. (4mks)

9. State four functions of an office. (4mks)

10. List four characteristics of a good filing system. (4mks)

11. State four advantages of enclosed office layout. (4mks)

12. State four characteristics of itinerant traders. (4mks)

13. Highlight four features of supermarkets in Kenya. (4mks)

14. Differentiate between Retail trade and wholesale trade. (2mks)

15. Outline four functions of retailers to consumers. (4mks)

16. State four categories of wholesalers. (4mks)

17. State four means of payment common in Kenya. (4mks)

18. Outline four functions of a pro-forma invoice. (4mks)

19. Differentiate between postal order and money order. (4mks)

|  |  |
| --- | --- |
| **Postal Order** | **Money Orders** |
| i) |  |
| ii) |  |
| iii) |  |
| iv) |  |

20. Outline four factors that a business person should consider before giving out credit. (4mks)