**NAME\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ADM/NO\_\_\_\_\_\_\_\_\_\_\_**

**DATE\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ FORM\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**BUSINESS STUDIES**

**FORM 2**

**TERM TWO 2017**

**TIME: 2 HOURS**

**HOLA SECONDARY SCHOOL**

**MID TERM EXAMINATIONS**

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**INSTRUCTION: ANSWER ALL THE QUESTIONS**

1. Below are some factors that affect a business environment. State the business environment affected by each factor. (4mks)

|  |  |
| --- | --- |
| Factors | Environment |
| i) Economic issues |  |
| ii) Society |  |
| iii) Marketing capacity |  |
| iv) Production |  |

2. Highlight four reasons that would limit entrepreneurship in an area. (4mks)

3. State four elements that may comprise the external environment of a business. (4mks)

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5. State four reasons why an entrepreneur need to generate a good business idea. (4mks)

6. State four differences between liners and tramps as forms of sea transport. (4mks)

7. Highlight four positive effects of globalization in businesses today. (4mks)

8. Highlight four circumstances when a manufacturer would find it advisable to distribute goods through wholesalers. (4mks)

9. State four types of complaints that a consumer organization may receive from consumers. (4mks)

10. State four essential elements of transport. (4mks)

11. Many parastatals in Kenya are said to be efficient. State four measures that can be taken to improved their efficiency. (4mks)

12. Highlight four differences between a public corporation and a public limited company. (4mks)

13. State four methods of government involvement in business activities. (4mks)

14. Outline four reasons why the government may regulate business activities. (4mks)

15. Despite the advance in transport technology, handcarts still exist. Outline four reasons. (4mks)

16. State four factors that would hinder effective movement of messages from one person to another. (4mks)

17. Outline four circumstances that would prompt a firm to use face to face communication other than written communication. (4mks)

18. Differentiate between a bonded warehouse and a private warehouse. (2mks)