**HOLA SECONDARY SCHOOL**

**MID TERM EXAMINATION**

**BUSINESS STUDIES**

**YEAR 2014**

**TERM ONE**

**FORM 2**

**TIME: 1 HOURS 30 MINUTES**

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

**INSTRUCTIONS: ANSWER ALL QUESTIONS IN THE SPACES PROVIDED.**

1. Highlight four ways in which business studies is useful to a community. (4mks)
2. Outline four measurers that may be taken to conserve forests in Kenya. (4mks)
3. Explain four types of utilities. (4mks)
4. Differentiate between
5. Direct and indirect production. (4mks)
6. Consumer goods and producer goods.
7. State four ways in which natural resources may be of benefit to a country. (4mks)
8. Classify each of the following production activities as either primary or tertiary or secondary. (4mks)

|  |  |
| --- | --- |
| **Activity** | **Level of production** |
| Digging clay soil |  |
| Constructing a bridge |  |
| Selling in shop |  |
| Transporting medicine |  |
| Growing vegetables |  |

1. Outline four characteristics of direct production. (4mks)
2. State four roles of an entrepreneur in production. (4mks)
3. List four qualities of an office messenger. (4mks)
4. State four factors that determine the period for which documents should be stored. (4mks)
5. Outline four functions of an office. (4mks)
6. Explain three classification of wholesalers. (3mks)
7. State four service offered by a retailer to consumer. (4mks)
8. Highlight four factors that may contribute towards the growth of business in the country. (4mks)
9. State four uses of an invoice for a seller of goods. (4mks)
10. Explain the term deferred payment. (2mks)
11. State four essentials of a bill of exchange. (4mks)
12. Highlight three differences between a bill of exchange and a promissory note. (3mks)

1. Name two documents used in home trade. (2mks)