Name: ……………………………………………………Index No: ……………………………...

Candidate’s Signature:………………………...

Date……………….………

565

BUSINESS STUDIES

FORM TWO

END TERM TWO - 2019

TIME: 2 HOURS

*FORM TWO BUSINESS STUDIES*

INSTRUCTIONS TO CANDIDATES:

* *Write your name and Admission number in the spaces provided.*
* *Sign and write the date of examination in the spaces provided*
* *Answer all questions in the spaces provided*
* *All questions are should be answered in English*

**FOR EXAMINER USE ONLY**

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| --- | --- |
| TOTAL MARK |  |
|  |  |

ANSWER ALL QUESTIONS

1. Highlight four characteristics of basic human wants. (4mks
2. ……………………………………………………………………………………….
3. …………………………………………………………………………………………
4. …………………………………………………………………………………………
5. ………………………………………………………………………………………..
6. Outline four benefits of business studies to an individual. (4mks
7. ……………………………………………………………………………………….
8. …………………………………………………………………………………………
9. …………………………………………………………………………………………
10. ………………………………………………………………………………………..
11. Highlight four reasons what would make an individual engage in business.(4mks
12. ……………………………………………………………………………………….
13. …………………………………………………………………………………………
14. …………………………………………………………………………………………
15. ………………………………………………………………………………………..
16. Outline four characteristics of economic resources. (4mks
17. ……………………………………………………………………………………….
18. …………………………………………………………………………………………
19. …………………………………………………………………………………………
20. ………………………………………………………………………………………..
21. State four ways in which a good filing system may facilitate the operation in an office.

(4mks

1. ……………………………………………………………………………………….
2. …………………………………………………………………………………………
3. …………………………………………………………………………………………
4. ………………………………………………………………………………………..
5. Highlight four disadvantages of direct production. (4mks
6. ……………………………………………………………………………………….
7. …………………………………………………………………………………………
8. …………………………………………………………………………………………
9. ………………………………………………………………………………………..
10. Highlight four ways in which a business idea can be implemented. (4mks
11. ……………………………………………………………………………………….
12. …………………………………………………………………………………………
13. …………………………………………………………………………………………
14. ………………………………………………………………………………………..
15. Highlight four factors that one would consider when setting a office layout. (4mks
16. ……………………………………………………………………………………….
17. …………………………………………………………………………………………
18. …………………………………………………………………………………………
19. ………………………………………………………………………………………..
20. High light four benefits of a business plan to an entrepreneur. (4mks
21. ……………………………………………………………………………………….
22. …………………………………………………………………………………………
23. …………………………………………………………………………………………
24. ………………………………………………………………………………………..
25. Outline four circumstances under which one would use a cheque as a means of payment.

(4mks

1. ……………………………………………………………………………………….
2. …………………………………………………………………………………………
3. …………………………………………………………………………………………
4. ………………………………………………………………………………………..
5. Outline four benefits of shopping in a hypermarket. (4mks
6. ……………………………………………………………………………………….
7. …………………………………………………………………………………………
8. …………………………………………………………………………………………
9. ………………………………………………………………………………………..
10. On 1st January 2014, Otiende received an invoice for shs 20,000. Terms of payments were : trade discount 5%, cash discount 2% if payment is made within 30days. Determine the amount payable if payment was made on 27the January, 2014. (4mks
11. Outline four activities that may be carried out in a stock exchange market. (4mks
12. ……………………………………………………………………………………….

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

1. …………………………………………………………………………………………
2. ………………………………………………………………………………………..
3. Highlight four circumstances under which a partnership may be dissolved. (4mks
4. ……………………………………………………………………………………….
5. …………………………………………………………………………………………
6. …………………………………………………………………………………………
7. ………………………………………………………………………………………..
8. Outline four malpractices by traders against which consumers may need protection by the government. (4mks
9. ……………………………………………………………………………………….
10. …………………………………………………………………………………………
11. …………………………………………………………………………………………
12. ………………………………………………………………………………………..
13. Outline four methods that the government of Kenya uses to regulate business activities.
14. ……………………………………………………………………………………….
15. …………………………………………………………………………………………
16. …………………………………………………………………………………………
17. ………………………………………………………………………………………..
18. Outline four differences between liners and tramps

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| --- | --- | --- |
|  | liners | Tramps |
|  |  |  |
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1. Outline four essentials of effective communication. (4mks
2. ……………………………………………………………………………………….
3. …………………………………………………………………………………………
4. …………………………………………………………………………………………
5. ………………………………………………………………………………………..
6. Highlight four challenges associated with using of cell phones (mobile phone) as a mean of communication. (4mks
7. ……………………………………………………………………………………….
8. …………………………………………………………………………………………
9. …………………………………………………………………………………………
10. ………………………………………………………………………………………..
11. Name the type of warehouses associated with each of the following statements. (4mks

|  |  |  |
| --- | --- | --- |
|  | Statements | Type of warehouse |
| 1 | Specialized goods are stored |  |
|  | Goods are stored from several manufacturers |  |
|  | Individuals can hire storage facilities |  |
|  | Goods can be stored before payment of custom duty |  |

1. Outline four benefits that accrue to the government as a result of privatization of public enterprises. (4mks
2. ……………………………………………………………………………………….
3. …………………………………………………………………………………………
4. …………………………………………………………………………………………
5. ………………………………………………………………………………………..
6. Njoroge’s car valued at shs1,500,000 was insured against accident for shs 1,200,000 under the ‘’ with average clause’’ . An accident occurred and only shs.600,000 of value of car was salvaged. Determine the value of the compensation due to Njoroge. (5mks
7. State four advantages of division of labour. (4mks
8. ……………………………………………………………………………………….
9. …………………………………………………………………………………………
10. …………………………………………………………………………………………
11. ………………………………………………………………………………………..
12. Outline four benefits to a wholesaler who uses his/her own warehouse. (4mks
13. ……………………………………………………………………………………….
14. …………………………………………………………………………………………
15. …………………………………………………………………………………………
16. ………………………………………………………………………………………..
17. Outline three elements that may comprise the external environment of a business. (3mks
18. ……………………………………………………………………………………….
19. …………………………………………………………………………………………
20. …………………………………………………………………………………………
21. ………………………………………………………………………………………..