

FORM 3 TERM 2 NOVEMBER 2021
BUSINESS STUDIES PAPER 1

1. Identify four factors to consider when choosing a suitable method of product promotion (4 marks)

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2. Give four features of a partnership type of business (4 marks)

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3. Indicate with a tick(✓) in the appropriate column the business environment associated with each of the factors mentioned below. (4 marks)

	FACTOR	INTERNAL	EXTERNAL
i)	Government policy		
ii)	Technological environment		
iii)	Financial resources		
iv)	Firm structure		

4. State four reasons why a seller might decide to sell goods on credit (4 marks)

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5. Highlight four circumstances under which face to face communication will be necessary(4 marks)

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6. Highlight four factors that may be considered before deciding to use a train instead of a matatu.
(4 marks)

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7. Indicate by writing the word “TRUE” or “FALSE” against the statement describing characteristics for goods and services. (3 marks)

	STATEMENT	TRUE or FALSE
a)	Goods are inseparable from their producers	
b)	Services can be standardized in form of size, appearance or quality	
c)	Services are experienced not owned	
d)	Goods are not always perishable	
e)	Services are highly perishable	
f)	Goods can change in value overtime	

8. Outline five ways the government can protect consumer from being exploited(4marks)

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9. The following are types of advertising: Product advertising, competitive advertising, informative advertising and institutional advertising. In the table below, match each type with its appropriate description. (4 marks)

	TYPE OF ADVERTISING	DESCRIPTION
a)		Promotes the name of the manufacturer

b)		Persuades the consumers to buy a product
c)		Creates awareness about a product
d)		Promotes a particular brand of a product

10. Outline four barriers to written communication. (4 marks)

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11. For each of the following cases, name the type of utility. (4 marks)

	CAES	Utility
a)	Keeping maize in a warehouse for two months	
b)	Transporting fish by rail to Uganda	
c)	Buying a motorbike on hire purchase	
d)	Producing sugar from sugarcane	

12. Highlight the procedure of getting an insurance policy(4marks)

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13. State four reasons why few Kenyans take out life assurance policies. (4 marks)

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14. For each of the descriptions given below, indicate in the appropriate document as used in home trade. (4 marks)

	function	document
a)	Responds to a specific letter of inquiry	
b)	Prepared by transporting company on behalf of the seller	
c)	Has details of goods returned by a customer	
d)	Requests the buyer to pay for goods delivered	

15. Outline four way a person can identify a business opportunity (4 marks)

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16 Highlight any four ethical practices that should be observed by producers when advertising their goods(4marks)

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17. State four benefits that consumers get from small scale retailers(4 marks)

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18. Explain the difference between limited liability and unlimited liability (2 marks)

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END