

FORM 2 TERM 3 APRIL 2022

BUSINESS STUDIES

1. Resources are categorized broadly into economic and free resources. Identify any three free resources. (3mks)

a)

b)

c)

2. Give four reasons why it is difficult to satisfy human wants (4mks)

a)

b)

c)

d)

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

a)

b)

c)

d)

4. Highlight four circumstances under which a trader may choose to transport his/her goods using containers (4mks)

a)

b)

c)

d)

5. State the types of advertisement described below: (4mks)

a) It is meant to promote the name of the business enterprise---

b) Aim at giving general information to the customers about the availability of a certain products---

- c) Using famous persons in the advertisement campaign---
- d) Aims at promoting the sales of a particular brand of a product---

6. Distinguish between the following types of warehouses. (4mks)

Public warehouses	Private warehouses

7. Highlight four causes of breakdown in communication (4mks)

- a)
- b)
- c)
- d)

8. Identify four types of large scale retailers. (4mks)

- a)
- b)
- c)
- d)

9. Commerce is the study of trade and aids to trade. List four aids to trade.(4mks)

- a)
- b)
- c)
- d)

10. State four factors that are considered in determining premiums to charged.(4mks)

- a)
- b)

- c)
- d)

11 .Identify the terms given to each of the following statements. (4mks)

Statements	Terms
a) Transport goods from producers	
b) Activities carried out with a view of making profit	
c) A person who uses a good or a service	
d) Increasing the usefulness of a good or a service	

12 . Extraction involves obtaining goods from their natural settings. Indicate four activities under extraction.(4mks)

- a)
- b)
- c)
- d)

13. Highlight four disadvantages of enclosed office layout.(4mks)

- a)
- b)
- c)
- d)

14. In the spaces provided below, indicate with a tick whether each of the following statements related to preferences or ordinary shares. (4mks)

Statement	Preference shares	Ordinary shares
a)Represent ownership		
b)Rate of divided is fixed		
c)Has voting rights		
d)considered first in		

liquidation		
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15. Mr. Keboi sold goods on credit to Mrs. Chebe worth sh. 10,000. She was allowed a trade discount of 10%. The cash discount was quoted as follows:

-10% if she paid within two weeks

-5% if she paid after two weeks

If she paid during the 3rd week calculate the amount of money she paid. (4mks)

16. Mr. Njoroge was paid his debt by use of a cheque of which he deposited it in the bank. After three days the cheque was dishonoured. Give four reasons that made this cheque to be dishonoured. (4mks)

- a)
- b)
- c)
- d)

17. Classify the following business environments as either internal or external. (4mks)

Business culture	
Demography	
Politics	
Shareholder's resolutions	

18. Give three examples of small scale retailers without shops. (3mks)

- a)
- b)
- c)

SECTION B (Answer any three questions in this section)

19. Explain **five** factors to consider when selecting an office equipment. (10mks)

20. Explain **five** essentials of a warehouse. (10mks)

21. Savings and credit cooperatives have been registering an increasing number of members. Explain **five** reasons for such a development (10mks)

22. Describe any five roles of stock exchange market in an economy. (10mrks).