

Name.....Adm. No.....

Sign.....

Date.....

565/1

BUSINESS STUDIES

PAPER 1

2018

TIME: 2 Hours

INSTRUCTIONS TO STUDENTS

- i) Write your name and admission number in the spaces provided above
- ii) Sign and write the date of the examination in the spaces provided above.
- iii) Answer all questions in the spaces provided.
- iv) This paper consists of 6 printed pages
- v) Check the question paper to ascertain that all the pages are printed as indicated and no questions are missing.

For Examiner's Use Only

Question	Maximum Score	Candidate's Score
1-25	100	

1. Mention **four** factors to consider before you locate an office. (4marks)

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2. Mention **four** factors that influence decisions on what goods and services to produce. (4marks)

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3. Give **four** problems facing the savings and credit cooperative societies in Kenya. (4marks)

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4. Disadvantages of a long chain of distribution.

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5. Highlight **four** sources of diseconomies of scale in a firm. (4marks)

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6. Why would a business person find it necessary to advertise their product? (4marks)

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7. State four essentials of effective communication. (4marks)

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8. Mention **four** factors that one must take account when deciding on which method of product promotion to use. (4marks)

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9. Give **four** reasons why diagonal communication needs to be encouraged in an organization. (4marks)

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10. Explain **four** differences between hypermarkets and departmental stores. (4marks)

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11. Highlight **four** trends in transport sector in Kenya. (4marks)

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12. Give **four** reasons why a producer may need to have their own warehouse. (4marks)

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13. State **four** factors that may hinder effective communication in an organization. (4 marks)

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14. Highlight **four** features of land as a factor of production. (4marks)

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15. Give **four** factors that positively influence internal business environment. (4marks)

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16. Give **four** reasons for continued use of human portage. (4marks)

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17. Mention **four** components of external business environment. (4marks)

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18. Mention **four** methods of government participation in business activities. (4marks)

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19. Suggest **four** circumstances under which a person would prefer a taxi over a matatu. (4marks)

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20. Give **four** uses of a computer in an office. (4marks)

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21. Outline four sources of oligopoly power. (4marks)

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22. Give four reasons that make insurance companies decline to insure acts of nature. (4marks)

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23. Give **four** benefits a country derive from entrepreneurship. (4marks)

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24. Identify **four** gaps that may exist in a market leading to a business opportunity. (4marks)

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25. Mention **four** factors that limit the number of entrepreneurs in a country. (4marks)

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