NAME:…… DATE……..……

SCHOOL:……SIGNATURE……

BUSINESS STUDIES
FORM 2
2 hours

BUSINESS STUDIES
FORM 2

INSTRUCTIONS TO CANDIDATES

Answer all questions in the spaces provided in the question paper

Questions	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Marks															

Questions	16	17	18	19	20	21	22	23	24	25
Marks										

1. Outline four advantages of sole proprietorship form of business. (4mks)

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2. Describe the following factors that make up the external business environment. (4mks)

i. Economic factors

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ii. Demographic factors

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iii. Socio-cultural factors

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iv. Technological factors

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3. Highlight four services offered by retailers to consumers. (4mks)

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4. Mention four benefits of office machines to an organization. (4mks)

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5. State four roles of an entrepreneur in production. (4mks)

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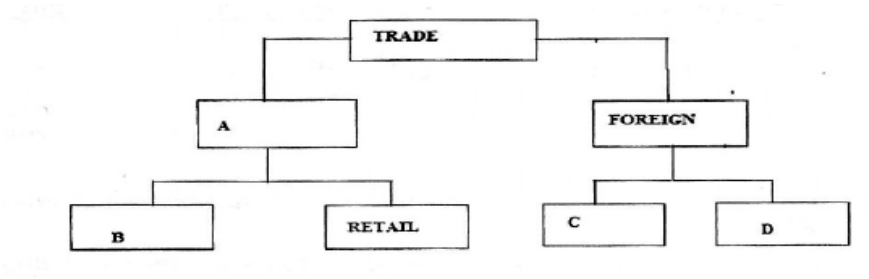
6. Fill the blanks marked A, B, C and D (4mks)



ii. B

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iii. C

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iv. D

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7. Give the provisions of the partnership act of 1963 regarding: (4mks)

i. Profits and losses:

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ii. Admission of new partner:

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iii. Salary to any partner

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iv. Contribution of capital

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8. Outline four trends in office management. (4mks)

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9. Give four roles played by the stock exchange market in Kenya. (4mks)

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10. State four benefits of hire purchase selling to a trader. (4mks)
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11. Outline four roles of ethics in business operation. (4mks)
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12. Outline four ways by which an institution can improve the performance of its workers. (4mks)
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13. List any four documents used in home trade that originates from the seller.
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14. Outline four characteristics of services. (4mks)
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15. List four disciplines that form business studies. (4mks)
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16. Outline four features of cooperative societies. (4mks)
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17. State four circumstances under which a proforma invoice may be used. (4mks)
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18. Outline four reasons why choices are important in the satisfaction of human wants. (4mks)

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19. Give four functions of an office in an organization. (4mks)

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20. Give four reasons why a consumer may prefer buying from a super market. (4mks)

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21. Give four characteristics of indirect production. (4mks)

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22. State four ways in which natural resources may be of benefit to a country.

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23. Outline four types of business activities. (4mks)

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24. List four factors that constitute the internal environment of a business. (4mks)

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25. Outline four disadvantages of public corporations.

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