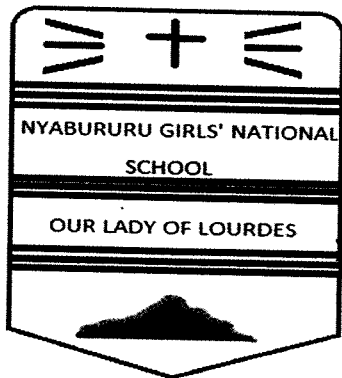


NAMECLASS NO.....

SignatureAdm no.



**FORM 2 BUSINESS STUDIES
MAKE-UP CAT
TERM 3 2016
TIME: 2 HOURS**

<i>Date done</i>	
<i>Invigilator</i>	
<i>Date returned</i>	
<i>Date revised</i>	

Attempt **all** questions.

1. Outline six external environments that negatively affect the performance of a business. (6mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
 - (v)
 - (vi)

2. Outline four ways in which the knowledge on business studies may assist Peter who intends to start a business. (4mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
3. Highlight five advantages of division of labour. (5mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
 - (v)
4. State five factors that discourage entrepreneurship in Kenya. (5mks)
- (i)
 - (ii)
 - (iii)
 - (iv)
 - (v)
5. State five factors that influence the success of a business. (5mks)
- (i)
 - (ii)

(iii)

(iv)

(v)

6. Explain four ways in which the utility of a product can be increased. (4mks)

(i)

(ii)

(iii)

(iv)

7. State four demographic factors that will affect a business. (4mks)

(i)

(ii)

(iii)

(iv)

8. State four characteristics of basic wants. (4mks)

(i)

(ii)

(iii)

(iv)

9. Highlight five ways through which safeguarding and controlling of organization's property can be done. (5mks)

(i)

(ii)

(iii)

(iv)

(v)

10. State four advantages of electronic filing in an office. (4mks)

(i)

(ii)

(iii)

(iv)

11. Highlight four circumstances under which a sole proprietorship can be dissolved. (4mks)

(i)

(ii)

(iii)

(iv)

12. State five contents of the articles of association. (5mks)

(i)

(ii)

(iii)

(iv)

(v)

13. State four circumstances under which the government will involve itself in business activities. (4mks)

(i)

(ii)

(iii)

(iv)

14. Highlight four disadvantages of air transport. (4mks)

(i)

(ii)

(iii)

(iv)

15. Highlight four circumstances under which face to face communication will be appropriate. (4mks)

(i)

(ii)

(iii)

(iv)

16. Outline five barriers to effective communication. (5mks)

(i)

(ii)

(iii)

(iv)

(v)

17. State four trends in communication. (4mks)

(i)

(ii)

(iii)

(iv)

18. Outline five advantages of a bonded warehouse to the importer. (5mks)

(i)

(ii)

(iii)

(iv)

(v)

19. State five benefits of pooling of risks to the insurance company. (5mks)

(i)

(ii)

(iii)

(iv)

(v)

20. State six characteristics of insurable risks.

(6mks)

(i)

(ii)

(iii)

(iv)

(v)

(vi)

21. State four principles of insurance.

(4mks)

(i)

(ii)

(iii)

(iv)

22. Define the following terms as used in insurance:-

(i) Claim

(ii) Surrender value

(iii) Actuaries