**QUALITY ASSUARANCE SERIRS FORM 2 END TERM 3 EXAMS 2023**

**BUSINESS STUDIES (QUESTION PAPER)**

**FORM TWO**

**TIME 2HOURS**

**Name**: …………………………………………………………. **Adm** **No**: ……………….

**School**: ……………………………………………………….. **Class**: …………………..

**Signature**: …………………………………………………….. **Date**: …………………...

***Answer all questions in the spaces provided***

1. A resource is something that is used by a business to achieve an objective. Identify four resources available in a business (4 Marks)
2. ………………………………………………………………………………………
3. ………………………………………………………………………………………
4. ………………………………………………………………………………………
5. ………………………………………………………………………………………
6. Outline four characteristics of human wants (4 Marks)
7. ………………………………………………………………………………………
8. ………………………………………………………………………………………
9. ………………………………………………………………………………………
10. .……………………………………………………………………………………

1. John and Peter jointly own goods valued at sh. 160,000 with a capital contribution of the ratio 3:1 respectively. The insured the goods against fire at sh. 100,000. A fire broke out and destroyed goods worth sh. 80,000. Calculate the amount to be received in compensation by each of them. (4 Marks)

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1. The following are some functions of some various equipment used in offices. Indicate the type of machine that matches the function given. (4 Marks)

**Functions** **Equipment**

1. Destroying unwanted documents \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Cutting paper into required shape and size \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. Making postage impression on envelopes \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
4. Making shorthand dictation \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
5. Outline ways through which partnership may be formed. (4 Marks)
6. ………………………………………………………………………………………
7. ………………………………………………………………………………………
8. ………………………………………………………………………………………
9. .……………………………………………………………………………………..

1. In the spaces provided below indicate the type of utility created by the following business activities (4 Marks)

|  |  |
| --- | --- |
| **Business activity** | **Types of utility** |
| 1. Selling face masks to customers |  |
| 1. Transporting onions |  |
| 1. Storing onions in a granary |  |
| 1. Making a camera |  |

1. Outline **four** reasons why a business person may prefer written communication to verbal communication. (4 Marks)
2. ……………………………………………………………………………………
3. ……………………………………………………………………………………...
4. ……………………………………………………………………………………
5. ……………………………………………………………………………………..
6. Highlight four advantages of human porterage. (4 Marks)
7. ………………………………………………………………………………………
8. ……………………………………………………………………………………...
9. ………………………………………………………………………………………
10. ………………………………………………………………………………………
11. Highlight four characteristics of labour as a factor of production. (4 Marks)
12. ……………………………………………………………………………………
13. ……………………………………………………………………………………...
14. ……………………………………………………………………………………
15. ……………………………………………………………………………………..
16. In the spaces provided below, state the document to which each of the following statement relate. (4 Marks)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| |  |  |  | | --- | --- | --- | | Statement |  | Document | | a) Inform the buyer when goods were dispatched and by what means  b) A request by seller for payment in advance  c) Used to correct an undercharge in an invoice  d) Shows details of the transactions between seller and buyer during a given period | |  | |

1. List four sources of business idea. (4 Marks)
2. ……………………………………………………………………………………
3. ……………………………………………………………………………………...
4. ……………………………………………………………………………………
5. ……………………………………………………………………………………..
6. Outline four duties of commercial attaches. (4 Marks)
7. ………………………………………………………………………………………
8. ……………………………………………………………………………………...
9. ………………………………………………………………………………………
10. ………………………………………………………………………………………
11. State **four** ways in which the nature of goods would influence the choice of transport. (4 Marks)
12. ………………………………………………………………………………………
13. ……………………………………………………………………………………...
14. ………………………………………………………………………………………
15. ………………………………………………………………………………………
16. Highlight **four** circumstances under which it may be appropriate to use personal selling to promote products. (4 Marks)
17. ………………………………………………………………………………………
18. ……………………………………………………………………………………...
19. ………………………………………………………………………………………
20. ………………………………………………………………………………………
21. In the spaces provided, indicate whether each of the following statements relate to preference shares or ordinary shares. (4 Marks)

**Statement Types of shares**

1. Has voting rights ………………………………………………………
2. Rate of dividend is fixed ………………………………………………………
3. Considered first in liquidation ……………………………………………………
4. Represent ownership ………………………………………………………
5. Explain five external business environments and how they influence a business negatively. (10 Marks)

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1. Explain any five principles of insurance. (10 Marks)

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1. Highlight **five** differences between an open plan office and enclosed office layout. (10 Marks)

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1. Explain 5 features of economic resources (10 Marks)

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