**NAME ………………………………………………………………. ADM NO: ……………DATE ………………............................. SIGNATURE ………………………….CLASS …………………………………565/2BUSINESS STUDIES PAPER 2 MAY 2022FORM 4**

**TIME: 2½ HOURS**

 **MID TERM 1 2022 EXAMINATION.INSTRUCTIONS TO ALL CANDIDATES**

1. ***Write your name and admission number in the spaces provided above.***
2. ***Sign and write the date of the examination in the spaces provided above.***
3. ***Answer any FIVE questions.***
4. ***All questions carry equal marks***1. a) Explain five benefits of an open plan office to an organization. (10 marks)b) Explain five problems which consumers may face where warehouses are not available. (10 marks)2. a) Describe five channels that may be used for distributing imported goods. (10 marks)b) Explain five importance of communication to a business. (10 marks)3. a) Using a well labeled diagram, explain the effects of increase in demand for a commodity on market equilibrium when its supply remains constant. (10 marks)b) Explain five services that retailers offers to consumers. (10 marks)4. a) Explain five negative implications of a young population in a country. (10 marks)b) Explain five differences between cooperatives and public limited companies. (10 marks)

5. a) The following information relates to Jua Kali traders as at 1st December 2018. KSHS Premises 190,000 Debtors 25,000 Cash at bank 15,000 Capital 230,000 Creditors 30,000 Stock 30,000The following transactions took place in the month of December 2018Dec 5th: bought goods by cheque kshs 5,000.Dec 8th: Recovered from debtors’ kshs 10,000 cash.Dec 15th: Paid creditors kshs 8,000 cash.Dec 31st: Brought into the business kshs 20,000 cash from personal savings.Required: Prepare the balance sheet as at 31st December 2018. (10 marks)b) Explain the procedure followed when making an insurance claim. (10 marks)

6. a) Explain five reasons why a business would adopt ethical practices while conducting its operations. (10 marks)b) Explain five features of monopolistic competition. (10 marks)