**NAME…………………………………………………….ADM NO…………………………………..**

**CLASS……………………………………………………**

**BUSINESS STUDIES**

**FORM THREE**

**TIME: 2 HOURS**

**END OF TERM TWO EXAMINATION**

**Instructions to candidates**

(a) The paper consists of two sections.

(b) Answer all questions in section I and section II.

**SECTION I - (60 MARKS)**

1. Outline four characteristics of services. (4marks)

a)…………………………………………………………………………………………………………………

b)…………………………………………………………………………………………………………………

c)…………………………………………………………………………………………………………………

d)………………………………………………………………………………………………………………..

2. Identify four channels a manufacturer would use to distribute his goods to the customer. (4marks)

a)…………………………………………………………………………………………………………………………………………….

b)…………………………………………………………………………………………………………………………………………....

c)……………………………………………………………………………………………………………………………………………..

d)…………………………………………………………………………………………………………………………………………….

3. Highlight four importance of a warehousing to a manufacturer. (4marks)

a)……………………………………………………………………………………………………………………………………….

b)…………………………………………………………………………………………………………………………………………

c)…………………………………………………………………………………………………………………………………………

d)………………………………………………………………………………………………………………………………………..

4. Identify the office equipment described in each of the statements below. (4marks)

|  |  |  |
| --- | --- | --- |
|  | Description | Equipment |
| a | Used to make postage stamp impressions on envelopes. |  |
| b | Used to transmit verbal messages. |  |
| c | Used to store confidential documents and valuable items. |  |
| d | Used to record and store information in audio tapes. |  |

5. State four factors that determine fertility rate in a country. (4marks)

a)……………………………………………………………………………………………………………………………………

b)…………………………………………………………………………………………………………………………………..

c)……………………………………………………………………………………………………………………………………

d)…………………………………………………………………………………………………………………………………..

6. State four reasons that can lead to the termination of an insurance contract. (4marks)

a)…………………………………………………………………………………………………………………………….

b)…………………………………………………………………………………………………………………………….

c)……………………………………………………………………………………………………………………………..

d)………………………………………………………………………………………………………………………..

7. Outline four measures that a firm should take to improve the performance of its labour force. (4marks)

a)……………………………………………………………………………………………………………………………………………….

b)………………………………………………………………………………………………………………………………………………..

c)…………………………………………………………………………………………………………………………………………………

d)……………………………………………………………………………………………………………………………………………….

8. The participant in a two sector economy are households and firms. Identify the relevant participants in each of the statements given below. (4marks)

|  |  |  |
| --- | --- | --- |
|  | Statement | Participant |
| a | Payment for goods and services. |  |
| b | Sale of factors of production. |  |
| c | Payments of factors of production. |  |
| d | Sale of goods and services. |  |

9. State four means of transporting goods and people on land. (4marks)

a)…………………………………………………………………………………………………………..

b)…………………………………………………………………………………………………………..

c)…………………………………………………………………………………………………………...

d)…………………………………………………………………………………………………………...

10. Highlight four external business environment that would affect business operations negatively. (4marks)

a)………………………………………………………………………………………………………………….

b)………………………………………………………………………………………………………………….

c)………………………………………………………………………………………………………………….

d)…………………………………………………………………………………………………………………..

11. A monopoly is a market structure made up of only one supplier. State four features of such a market. (4marks)

a)…………………………………………………………………………………………………………………

b)………………………………………………………………………………………………………………..

c)…………………………………………………………………………………………………………………

d)…………………………………………………………………………………………………………………

12. Outline four benefits to a business person who uses e-mail to communicate. (4marks)

a)………………………………………………………………………………………………………………………….

b)………………………………………………………………………………………………………………………….

c)…………………………………………………………………………………………………………………………..

d)…………………………………………………………………………………………………………………………..

13. State four reasons why business men observe ethical practices. (4marks)

a)……………………………………………………………………………………………………………………………

b)……………………………………………………………………………………………………………………………

c)…………………………………………………………………………………………………………………………….

d)…………………………………………………………………………………………………………………………….

14. State four ways in which the government may influence the supply of a product in market. (4marks)

a)…………………………………………………………………………………………………………………………………..

b)…………………………………………………………………………………………………………………………………..

c)…………………………………………………………………………………………………………………………………..

d)………………………………………………………………………………………………………………………………….

15. State four benefits that a consumer would get by joining a consumer co-operative society. (4marks)

a)…………………………………………………………………………………………………………………………………………

b)………………………………………………………………………………………………………………………………………..

c)………………………………………………………………………………………………………………………………………..

d)……………………………………………………………………………………………………………………………………….

**SECTION II – (40 MARKS) - ANSWER ALL QUESTIONS.**

16. Makueni county has located a fruit processing factory at Kalamba. Explain five factors that were considered in locating the firm. (10 marks)

17. Explain five reasons why most companies have adopted the use of road shows to promote their products. (10 marks)

18. Explain five circumstances under which a business person may find it necessary to make use of an automatic vending machine. (10 marks)

19. Explain five ways in which the government may positively influence business activities in a given area. (10 marks)