

NAME:CLASS:..... ADM.NO. :.....

BUSINES FORM TWO, TERM 2 - 2024
MID – TERM

1. **State four characteristics of a good filing system. (4mks)**
 - a) Compact/ occupy less space
 - b) Adaptable/ flexible/capable of coping with future changes.
 - c) Simple to operate.
 - d) Provide safety of documents.
 - e) Economical/initial and maintenance costs should be affordable.
 - f) Documents are easily accessible.
 - g) Appropriate to the needs of the business.
2. **Highlight four reasons for licensing business by the Government of Kenya. (4mks)**
 - a) To regulate the numbers of business in any given line to avoid unhealthy competition.
 - b) To control the type of goods entering and leaving the country
 - c) To ensure that there are no illegal business.
 - d) To raise revenue for the government.
 - e) To ensure that those who engage in professional activities meet the requirements of their profession.
 - f) To ensure that traders engage only in trade activities that they have licenses for.
3. **Highlight four essential features of a warehouse. (4mks)**
 - a) Suitable location
 - b) Proper building designs.
 - c) Adequate staff,
 - d) Compliance with the law.
 - e) Appropriate staff
 - f) Adequate safety facilities. Good communication network.
4. **State three circumstances under which face to face communication may be preferred to written form of communication in a business organization. (4mks)**
 - a) When immediate feedback is required.
 - b) Where persuasion and convincing is necessary.
 - c) When communicating parties are together.
 - d) Where the message is confidential.

Where the organization intends to incur no costs
5. **Give two differences between liners and tramps. (4mks)**

| LINERS | TRAMPS |
|---|------------------------------------|
| Have fixed routes. | Have no fixed routes |
| Follow fixed time table | Do not follow a time table |
| Charges are fixed | Charges are not fixed |
| Call of specific ports along the route at specified intervals | Travelling patterns are irregular. |
| Owned by shipping companies (conferences) | Owned by individual. |

6. **Outline four reasons why the government may find it necessary to protect consumers. (4mks)**
 - a) Consumers are weak because they act individually/lack of collective bargaining.
 - b) Consumers are ignorant of their rights.
 - c) Consumers are ignorant about quality/quantity/price of goods.
 - d) Suppliers are often quick profit by selling underweight/expired products.

7. **Name the type of business organization described in each of the following;**

| Description | Business organization |
|---|--|
| Formed by act of parliament | State corporation/Statutory company/Parastatals/Public corporation |
| May have infinite membership | Public limited company |
| Managed by a committee | Co- operative society |
| Formed by between two to fifty partners | Professional Partnership |

8. Outline four uses of a delivery note in trade. (4mks)

- a) Counter-checking goods by the buyer on their receipt
- b) A proof that goods have been delivered.
- c) Can be used in recording stock received in the stores.
- d) Can be used as a source document by the seller.

9. Outline four characteristics of land as a factor of production. (4mks)

- a) A basic factor of production – no production can take place without.
- b) Quality is not homogeneous.
- c) Supply is fixed.
- d) Lacks geographical mobility.
- e) It's a natural resource.

10. A farmer wishes to hire a means of transport for delivering his tomatoes to the market. State four factors that he should consider in choosing the means of transport. (4mks)

- a) Cost
- b) Nature of goods
- c) Distance
- d) Urgency of the goods
- e) Flexibility
- f) Security
- g) Reliability of the means
- h) Availability of means

11. Define the term dry port. (1mk)

Dry port – Inland container deport

SECTION B

12. Explain five factors that a manufacturer would consider before setting up a warehouse. (10mks)

- a) Handling of good/nature/value – will influence type built.
- b) Handling facilities – appropriate to handle goods.
- c) Site/ location/accessibility-be such that it minimizes handling charges leakages/ loses/damages.
- d) Cost/alternative option –
- e) Volume/quantity of goods to be stored – large or small.
- f) Accessibility – to users by roads/ telephone/ communication
- g) Zoning laws/government – allowed to locate by law.
- h) Security /safety – avoid loss/theft.
- i) Staff/labour – adequate/ relevant
- j) Future expansion – adequate room.

13. Despite the importance of entrepreneurship there are factors that discourage entrepreneurial practices. Explain five such factors. (10mks)

- a) Unfavourable government policies eg increased tax.
- b) Unavailability/poor infrastructure such as poor road makes it difficult for business to transport the raw material into production points and finished goods to the market.
- c) Lack of market/inadequate market will not only discourage existing businesses but will also discourage new entrepreneurs fro venturing into business.
- d) Lack of resources required in production eg land, raw material, labour power ,capital
- e) Stiff /unhealthy competition
- f) Some culture and religious belief may not be fovourable.
- g) Unfavourable political climate.
- h) Lack of entrepreneur skill/ low level of education
- i) Natural factors eg earthquakes and floods.

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