**BUSINES FORM TWO**

**END TERM 2 2024**

1. **Highlight four unethical issues in product promotion. (4mks)**

* Cheating on performance of the product.
* Not disclosing side effects.
* Cheating on ingredients of the product.
* Maligning competitors products

1. **State four occupations that a person may engage in, in the primary level of production. (4mks)**
2. Mining
3. Fishing
4. Farming
5. Lumbering
6. Gathering wild fruits
7. Hunting
8. **For each of the features given below, indicate with a tick (v) whether it relates to a public limited company or private limited company. (5mks)**

|  |  |  |
| --- | --- | --- |
| **Features** | **Public Ltd** | **Private Ltd** |
| 1. **Can advertise shares** |  |  |
| 1. **Unlimited number of members** |  |  |
| 1. **Minimum of seven members** |  |  |
| 1. **Restricts transfer of shares** |  |  |
| 1. **Must have at least one director** |  |  |

1. **The management of Kazi kwa vijana enterprise is contemplating coming up with a new office block. Name five reasons why they should adopt an open office layout. (5mks)**

* Easy supervision of workers.
* Construction costs are low.
* Easy location of workers.
* Maintenance costs are low.
* Discourages staff absenteeism.

1. **Classify the following goods as either consumer or producer goods.**

|  |  |
| --- | --- |
| **Goods** | **Classification** |
| 1. **Matatu** | Producer |
| 1. **Persona Radio** | Consumer |
| 1. **Factory** | Producer |
| 1. **Clothes** | Consumer |
| 1. **Jembe** | Producer |
| 1. **Shoes** | consumer |

1. **Indicate the type of Advertising Described in the table below. (4mks)**

|  |  |
| --- | --- |
| **Description** | **Type of advertising** |
| 1. **Creates awareness of the product** | Information |
| 1. **Popularizes the business organization** | Institutional |
| 1. **Persuades customers to buy the product** | Competitive |
| 1. **Reminds customers that the product is still in the market** | Reminder |

1. **Highlight four circumstances under which cash is preferable as a means of payments(4mks)**
2. **Write the following in full; (3mks)**
3. **C. W. O-**  Cash with order
4. **C. O. D. -**  Cash on delivery
5. **L. O. U -**  I owe you
6. **Highlight four roles played by insurance in an economy. (4mks)**

* Creates confidence to business people as they carry out businesses
* Creates employment
* Source of revenue to the government.
* Offers protection to individual/organization against financial loss.

1. **Creditor may not accept personal cheques for fear that they might be dishonored. Outline five reasons why a cheque may be dishonored. (5mks)**

* The drawer has stopped payment.
* Insufficient fund in the account.
* The account has been closed by the account holder.
* Amount in words differ with amount in figures.
* Signature differs with the specimen signature in the bank.

1. **Muthiora a businessman has a building worth Ksh. 2,000,000 which he insured against Fire for Ksh. 1,500,000. The3 buliding was gutted down by accidental fire and the remains were valued at Ksh. 600,000. Calculate the amount of compensation Muthiora got from the insurance company.**

Compensation = policy value X Loss

Value of the building

= 1,500,000 X 1,400,000

2,000,000

= Ksh. 1,050,000

1. **State two acts of parliament that are meant to protect consumers from exploitation. (2mks0**

* Weight and measures Act.
* Rent and Tribunal act
* Foods and drugs act
* Public health act

**SCETION II**

1. **Explain five disciplines covered in Business studies. (10mks)**
2. Commerce – study of trade and aids to trade
3. Economics – study of how human beings strive to satisfy their unlimited wants using limited resources.
4. Office practice – Study of activities that are carried out in an office.
5. Accounting – Systematic way of recording transaction in monetary terms in a set of records.
6. Entrepreneurship – process of identifying business opportunity and acquiring the necessary resources to staff and run the business
7. **Discuss the five essentials of Effective communication. (10mks)**
8. The sender / communicator – person from whom the message originate. The encoder of the message.
9. Message – the information to be sent / the subject matter of communication in forming symbols words, pictures.
10. Medium / Channels – means through which the message is to be sent.
11. The receiver – person or people for whom the message is introduced
12. Feed back – reaction of the receiver to the message.