**NAME: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ADM NO: \_\_\_\_\_\_\_\_\_\_\_\_CLASS: \_\_\_\_\_\_\_\_\_\_**

**DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ SIGN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

MARKS HERE

**BUSINESS STUDIES**

**FORM 2**

**TERM 3, 2023**

**INSTRUCTIONS: (answer all questions) TIME: (1 h 30min)**

1. Give three importance of product promotion. 3mks

***Informing***

***Persuading***

***reminding***

1. Outline four circumstances under which personal selling is appropriate. 4mks

***When launching a new product.***

***When product is tailored to meet customers’ specifications.***

***When demonstration is required.***

***When the value is the product is very high.***

***When market is concentrated in one area.***

1. State five steps involved in personal selling. 5mks

***Identifying prospective customers.***

***Preparing the presentation.***

***Establishing customer contacts***

***Arousing customer contacts.***

***Dealing with objections***

***Closing the sale.***

***After sales services.***

1. Give four advertising media. 4mks

***Newspapers***

***Posters***

***Transit advertising***

***Billboards***

***Radios***

***Televisions***

1. Highlight four functions of advertising media. 4mks

***Helps traders in designing trademarks, logos and adverting materials.***

***They book space and airtime in advertising media.***

***Offer advisory services to their clients on selling techniques***

***Advertise on behalf of their clients***

***Choose on behalf of their clients choose the appropriate media***

1. Outline four factors that influence the choice of promotion method. 4mks

***Cost.***

***Nature of the product***

***Target group.***

***Objectives of the promoting firm***

1. Highlight four unethical issues in product promotion. 4mks

***Cheating on permanence of the product.***

***Cheating on ingredients of the product***

***Not disclosing the side effects of the product***

***False pricing***

1. Outline four principles of insurance.4mks

***Subrogation***

***Indemnity***

***Insurable interest***

***Proximate cause***

***Principle of contribution***

1. Outline four marine insurance policies. 4mks

***Marine hull***

***Voyage policy***

***Mixed policy***

***Port policy***

***Time policy***

1. Highlight four characteristics of life assurance policies. 4mks

***Deals exclusively with life***

***Usually a long term contract***

***Value depends on assured ability to pay premiums***

***Has surrender value***

***Has maturity date***.

1. Outline four factors that necessitate re-insurance. 4mks

***If the value of the property is very high***

***High risk of loss occurring***

***High number of risks to be coverd***

***Need to spread risks***

***If it is government policy***

1. Give four factors to consider when determining premiums to be charged.

***Health of the person***

***Frequency of occurrence of risk***

***Value of the property.***

***Age of the assured***