

NAME: \_\_\_\_\_ ADM NO: \_\_\_\_\_ CLASS: \_\_\_\_\_

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

**BUSINESS STUDIES**  
**FORM 2**  
**TERM 3, 2023**

MARKS HERE

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

1. Give three importance of product promotion. 3mks  
*Informing*  
*Persuading*  
*reminding*
2. 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 of the product is very high.*  
*When market is concentrated in one area.*
3. 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.*
4. Give four advertising media. 4mks  
*Newspapers*  
*Posters*  
*Transit advertising*  
*Billboards*  
*Radios*  
*Televisions*
5. Highlight four functions of advertising media. 4mks  
*Helps traders in designing trademarks, logos and advertising 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*
6. Outline four factors that influence the choice of promotion method. 4mks  
*Cost.*  
*Nature of the product*  
*Target group.*  
*Objectives of the promoting firm*
7. 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*
8. Outline four principles of insurance. 4mks  
*Subrogation*  
*Indemnity*  
*Insurable interest*  
*Proximate cause*  
*Principle of contribution*
9. Outline four marine insurance policies. 4mks  
*Marine hull*  
*Voyage policy*  
*Mixed policy*  
*Port policy*  
*Time policy*
10. 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.*
11. 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 covered*  
*Need to spread risks*  
*If it is government policy*
12. 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*