**FORM 3 MID TERM EXAM TERM 1,2021**

**BUSINESS STUDIES**

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

1.Define the following terms;

a)Entrepreneur (2 mks)

b)Entrepreneurship (2 mks)

2.State 2 ways in which the government gets involved in business activities (2 mks)

3.State 4 reasons why the government licences businesses (4 mks)

4.State 4 circumstances under which water transport is most appropriate (4 mks)

5.State 4 means of land transport (4 mks)

6.Explain 3 principles of insurance (6 mks)

7.State 4 methods of product promotion (4 mks)

8.Give 4 advantages of personal selling (4 mks)

9.Differentiate between demand and supply (4 mks)

10.State 4 determinants of demand (4 mks)

11.State 4 types of advertising (4 mks)

12.Differentiate between horizontal communication and vertical communication (4 mks)

13.State 2 types of discount (2 mks)