**MID-TERM EXAM**

**TERM ONE 2021**

**BUSINESS STUDIES FORM TWO MARKING SCHEME**

**NAME……………………………………………………ADM………………CLASS………..**

1. **Outline four functions of retailers to consumers (4marks)**

Credit facilities

Provide after sale services

Provide variety of goods

Availing goods

Breaking bulk

Advice

1. **Outline four circumstances under which one would prefer to be paid by cash rather than by cheque (4marks)**

If it is the only means of payment available

Where the amount involved is small

Where the payee does not accept other means of payment

Where the payee requires cash urgently

1. **Highlight five factors to be considered when selecting office equipment (5marks)**

Cost

Adaptability

Durability

Effect on staff morale

Availability of man power

1. **Give four demerits of sole proprietorship as form of business unit (4marks)**

Has unlimited reliability

Lack of specialization in running of business

Expansion of the business may be limited by scarcity of capital

Death of the owner may lead to the collapse of the business

The owner bears all the risks and in case of a loss he suffers alone

1. **Outline the sources of capital for co-operatives (4marks)**

Members contribution

Retain profit

Income from investment

Income from credit facilities

1. **Outline four circumstances under which a partnership may be dissolved (4marks)**

If the partner mutually agree to dissolve the business

In case of death , insanity or bankruptcy of a partner

In case of completion of the intended purpose

In case of court orders

1. **Highlight the contents of the articles of association (4marks)**

Rights of each type of shareholders

Methods of calling meetings

Powers duties and rights of directors

Rules regarding preparation and auditing of accounts

1. **Give five ways government get involved in business activates (5marks)**

Producing goods and services

Distributing goods and services

Advising producers and traders

As a consumer of goods and services

Promoting trade and economic development

1. **State three ways in which government may regulate business activities (3marks)**

Licensing

Ensuring standards

Legistlation

1. **List five methods used by the government to protect consumers (5marks)**

Setting up standards

Weights and measures acts

Foods and drugs act

Licenses

Public health act

1. **Highlight limitation of consumers-initiated method of consumer protection (5marks)**

Lack of support from the government

Lack of enough capital to finance their organisations

Ignorance of consumers about their rights

Reluctance of many consumers to join this associations

Lack of initiative from consumers to check on traders performance

1. **Give four essential element of transport (4marks)**

Unit of carriage

Methods of propulsion

Ways

Terminals

1. **Highlight five importance of transport to business (5marks)**

Linking consumers to producers

Employment creation

Promote specialization

Making goods and services more useful

Avoiding wastage

1. **Give two trends in transport (2mks)**

Pipeline and containerization

Electric trains and replacing diesel engines