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

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

**BUSINESS STUDIES**

**OPENER EXAM**

**TERM 1 2025**

**FORM TWO**

**INSTRUCTIONS:**

***Answer all the Questions* TIME: 1 HR 30 MIN**

1. Highlight four reasons why a cheque may be dishonored (4 Marks)

2. Indicate the form of external environmental factor described by the statement below. (4 marks)

|  |  |
| --- | --- |
| Description  | External environmental factor |
| Introduction of a law banning use of polythene bags |  |
| Religious sect that is against medicine |  |
| Construction of the Standard Gauge Railway |  |
| Price wars between Navies and Quickmatt supermarkets |  |

5. Outline the procedure followed in personal selling (5marks)

6. State four circumstances under which one will prefer to be paid by cash rather than by cheque. (4 Marks)

7. Give four circumstances in which downward communication is used. (4 marks)

8. Outline four principles of insurance. (4 Marks)

9. Highlight four ways in which the Kenyan government regulate business activities (4 Marks)

10. Outline four reasons why consumers must make a choice when satisfying their wants (4 marks)

11. Identify the level of production described by each of the following information. (4marks)

**DESCRIPTION LEVEL OF PRODUCTION**

Mrs. Oriento counseling form four students

Jubilee insurance company selling their policies

A carpenter making dining tables

A farmer harvesting his potatoes

12. Outline four roles played by the Nairobi Securities Exchange (NSE) market in Kenyan

Economy (4 Marks)

13. Outline the procedure involved in making an insurance claim. (5 mks)