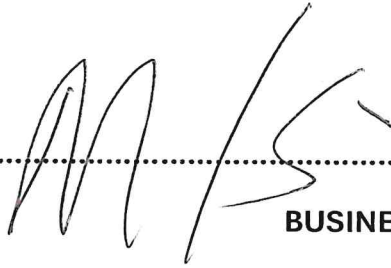


NAME.....ADM NO.....STREAM.....



**BUSINESS STUDIES**

**FORM TWO TERM 2 END TERM EXAMS 2025**

**ANSWER ALL QUESTIONS**

1) State four importance of learning business studies to a learner.(4mks)

- It is a career subject to a learner.
- It equip learner with skill and knowledge to start business.
- It help learner to appreciate the role of business in society.
- It help learner to appreciate the role of government in business.

2) List of four personal attributes that office messenger should possess.(4mks)

- physical appearance
- good moral behaviour.
- good posture.
- good hygiene.

3) Highlight four activities carried out under distribution of activities.(4mks)

- Storage
- Transportation.
- Insurance.
- Communication.

4) List four components under demographic environment that will affect business positively.(4mks)

- Increase in population size.
- Increase in population density.
- Increase in both gender.
- Decrease in death rate.

5) Highlight four types of cooperatives in kenya.(4mks)

- producer cooperatives
- consumer cooperative.
- sacco
- primary cooperatives.

6) State four types of business activities that a four leaver can engage in after school. (4mks)

- Extraction
- Distribution of goods.
- Manufacturing.
- Trade.

7) List four characteristics of food as one of type of basic wants. (4mks)

- one cannot do without.
- They are felt want.
- It is satisfied first before secondary want
- It cannot be postponed.

8) State four differences between direct and indirect production. (4mks)

- | Direct                              | Indirect                             |
|-------------------------------------|--------------------------------------|
| - Done for personal consumption     | - Done for sale of surplus           |
| - lead to individualism             | - Don't lead to individualism        |
| - Discourage invention & innovation | - Encourage innovation and invention |
| - less mechanisation                | - highly mechanised.                 |

9) Outline four means of audio visual communication. (4mks)

- signs
- photographs
- TVs
- sirens.

10) Highlight four occupations under secondary level of production. (4mks)

- Masonry
- Carpentry
- engineering
- plumbing.

11) List four characteristics of open office layout. (4mks)

- It is noisy.
- No room for confidential matters.
- There is disruption from colleagues.
- It is occupied by more than two people.

12) Highlight four problems that a businessperson may encounter when operating business without business plan.(4mks)

- Commit many resources
- poor allocation of resources
- Not able to know his strength and weakness
- Not able to know amount of capital required

13) State four machines found in accounting office.(4mks)

- cash register
- Adding machine
- calculator
- computer

14) Outline four functions of entrepreneur in an economy.(4mks)

- start business
- own business
- Bears all risks
- Enjoying profit alone

15) State four reason why government issue license to business people.(4mks)

- To earn revenue
- To regulate number of businesses
- To control goods entering and leaving the country
- To ensure no illegal business is carried out

16) Highlight four documents used in home trade for accounting.(4mks)

- Invoice
- Receipts
- statement of accounts
- credit note

17) List four factors one will consider when choosing a mean of communication.(4mks)

- speed of the mean
- cost of the mean
- confidentiality
- Evidence

18) State four advantages of using cash as a mean of payment.(4mks)

- It is only acceptable mean of payment.
- Convenient to people without account.
- Convenient to settle small debts.
- payee does not require to travel.

19) List four characteristics of private limited liability company.(4mks)

- Formed by between 2 and 50 shareholders.
- Does not advertise its shares to public.
- Restricts transfer of shares.
- Can be managed by one or two directors.

20) State four advantages of oral communication.(4mks)

- provide immediate feedback.
- Has personal appeal.
- It is direct.
- provide a room for convincing.

21) Outline four circumstances under which flower exporter may export flowers by air.(4mks)

- If it is urgently needed.
- when distance involved is long.
- In case he want to preserve quality.
- when quantity involved is small.

22) State four trends in communication.(4mks)

- use of mobile phone.
- E-mails
- Internet.
- Teleconferencing.

23) Distinguish between shares and debentures.(4mks)

shares is the unit of capital in a company while debentures is the loan from the public to the company.

24) Highlight four disadvantages of train transport in Kenya. (4mks)

- Not flexible.
- Not suitable in areas without railway.
- Not suitable to transport perishable goods.
- Not suitable for long short distances.

25) List four reasons why government trains business people. (4mks)

- To expose them to modern management techniques.
- To impart proper business ethics.
- To educate them on rules and regulations that affect business.
- To expose them on problems they are likely to face and possible solutions.