

**OPENER EXAMINATION TERM 2 YEAR 2020**

**BUSINESS**

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

**Instructions**

- **Answer All Questions in section A and Any three in section B.**
- 1. Outline four assumptions that are associated with perfect competition. (4mks)
  
- 2. Highlight four circumstances under which a trader may wish to hire an office machine rather than purchasing it. (4mks)
  
- 3. State four gaps that an entrepreneur can exploit. (4mks)
  
- 4. Assuming you are a human resource manager in an institution, outline four measures you can take to improve employees productivity. (4mks)

5. Land is a basic factor in production. Outline four characteristics that describe it. (4mks)
  
6. Outline four limitation of using free samples in product promotion. (4mks)
  
7. State four characteristic of a good filling system. (4mks)
  
8. Outline four uses of a delivery note in trade. (4mks)
  
9. Define the following terms. (4mks)
  - a) Monopoly –
  
  - b) Duopoly-
  
  - c) Product differentiation –
  
  - d) Market –

10. Name the type of business organization described in each of the following. (4mks)

Description	Business Organization
Formed by act of parliament	
May have infinite members	
Managed by a committee	
Formed between two to fifty partners	

**SECTION B**

11. Explain five sources of monopoly power. (10mks)
12. Explain five factors that need to be considered before a firm start producing a certain production. (10mks)
13. Outline five disadvantages of localization of firms. (10mks)
14. Explain five factors influencing the choice of distribution channel. (10mks)