

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

**END TERM 2 - 2021
BUSINESS STUDIES MARKING SCHEME
FORM 2**

Instructions.

Answer all questions in the spaces provided.

1. State four reasons why it is difficult to satisfy human wants. (4mks)

- **Human wants are unlimited.**
- **Resources to satisfy human wants are scarce.**
- **Recurrent.**
- **Habitual.**
- **Vary in intensity and urgency.**

2. State any four clauses contained in the memorandum of association. (4mks)

- **Name clause.**
- **Situation clause.**
- **Capital clause.**
- **Objective clause.**
- **Liability clause.**
- **Declaration.**

3. State the nature of the following production activities

Activity	Nature
(a)Flour milling	Processing.
(b)Bread baking	Manufacturing .
(c)Cloth making	Manufacturing.
(d)Cotton ginning	Processing .

4. State four situations that indicate existence of a business opportunity. (4mks)

- **Unavailability of products.**
- **Inadequate commodities.**

- **Too high prices.**
- **Poor quality product.**
- **Poor services.**

5. Highlight any four roles that are played by ethics in businesses. (4mks)

- **Ensures fair play in competition.**
- **Ensures rights of employees are upheld**
- **Ensures customers are well treated.**
- **Ensures business operates in compliance with the law.**
- **Ensures right people are assigned right job.**

6. Identify four roles that equipments play in an office. (4mks)

- **Enables work to be done fast.**
- **Enhances better quality output and more presentable.**
- **Makes work easy and enjoyable.**
- **Provides comfortable working experience.**
- **Ensures security and effective control of work**
- **Increased productivity of employees.**

7. Outline four circumstances under which a partnership may be dissolved. (4mks)

- **If the partner mutually agree to dissolve the business.**
- **Incase of death, insanity or bankruptcy of a partner.**
- **Incase of completion of the intended purpose.**
- **Incase of court orders.**

8. State three ways in which government may regulate business activities. (3mks)

- **Licensing.**
- **Ensuring standards.**
- **Legislation.**

9. Outline the sources of capital for co-operatives. (4mks)

- **Members contribution.**
- **Retained profit.**
- **Income from investment.**

- **Income from credit facilities.**

10. Highlight five factors to be considered when selecting office equipment.
(5mks)

- **Cost.**
- **Adaptability.**
- **Durability.**
- **Effect on staff morale.**
- **Availability of man power.**

11. Highlight the contents of articles of association. (4mks)

- **Rights of each type of shareholders.**
- **Methods of calling meetings.**
- **Powers duties and rights of directors.**
- **Rules regarding preparation and auditing of accounts.**

12. Give four essential elements of transport. (4mks)

- **Unit of carriage.**
- **Methods of propulsion.**
- **Ways.**
- **Terminals.**

13. Highlight five importance of transport to business.
(5mks)

- **Linking consumers to producers.**
- **Employment creation.**
- **Promote specialization.**
- **Making goods and services more useful.**
- **Avoiding wastage.**

14. Highlight four reasons for studying business studies in Kenya. (4mks)

- **Career.**
- **Helps in appreciating role of government in business.**

- **Helps learners to appreciate the need of ethics in business.**
- **Assist learners to understand his/her environment better.**
- **Assist learner to acquire self discipline and positive attitude towards work.**

15. Name four accounting documents that are used in home trade.

- **Statement of account**
- **Debit note**
- **Payment voucher**
- **Credit note**
- **Receipt**

16. Identify four elements of effective communications. (4mks)

- (a) Sender- the one who originates the message.**
- (b) Message – subject matter of communication.**
- (c) Channel/medium-means through which the message is sent.**

17. Identify four common means of verbal communication. (4mks)

- (a) Face to face conversation.**
- (b) Telephone conversation.**
- (c)Paging**
- (d)Radio calls.**