

09 - FORMS OF BUSINESS UNITS

The topic entails:

- **The basis of classification of business units e.g. sole proprietorship.**
- **Classification of business units on the basis of meaning, features, ownership, formation, sources of capital, merits and demerits, circumstances under which each form will be dissolved.**
- **Trends in business ownership.**

1. State **four** requirements necessary to secure a loan from the SACCO's
2. Give **four** hitches faced by the government of Kenya in the endeavor to privatize state firms
3. Outline **five** benefits of becoming a member of a savings and credit cooperative society (SACCO)
4. In the spaces provided below, write the type of partner described by each of the following statements
 - (i) One who is below 18years of age
 - (ii) One who has unlimited liability
 - (iii) One who gets involved in the daily running of the business
 - (iv) One who allows his/her name to be used in the business
5. Otwoma intends to start a business. Give **four** reasons why it is advisable for him to start a retail business shop instead of buying shares in a public limited company
6. State **four** circumstances that may lead to the dissolution of a partnership

7. State **four** features of incorporated business units

8. List **four** documents that are required before a public limited company is allowed to operate
in the country

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in the country

10. Highlight **four** ways in which the running of public corporations is ineffective in this country

11. You have been charged with a duty of preparing an article of Association for your company;
state **four** items that you will include in your article of Association

12. Honey intends to join a consumer Co-operate society; Highlight **four** benefits she would get by
being a member of the society

13. State **four** features of multinational corporation

14. State **four** type of partnership businesses

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- 1 Explain **five** advantages that Melinda could derive by investing in shares of a public limited

- 2 The following information was extracted from books of Chunga Traders for the period ending

31/12/2000:- Fixed assets – 350,000
Drawings – 50,000
Creditors – 50,000
Cash – 60,000
Discount received 4,000
Rent – 12,000
Bank overdraft – 10,000
Debtors – 20,000
Stock (31/12/2000)-30,000
Commission received – 6,000
Gross profit – 80,000
Electricity – 3,000
Stock (11/1/2000) – 50,000
Salaries – 20,000

Calculate:- (i) Working capital

(ii) Capital employed

- 3 Distinguish between a public corporation and a public ltd company
- 4 Describe the procedure that a shareholder would follow in selling share through the stock exchange.
- 5 Challenges faced by the savings and credit cooperative societies
6. The Kenya Government has been privatizing its parastatals to would be investors. Explain any **five** benefits of the privatization process to the government
7. Explain **five** differences between private limited companies and public limited companies
- 8 Discuss **five** benefits that the Kenyan government may get by privatizing a state corporation
- 9 Describe **five** circumstances under which limited liability companies may be liquidated
- 10 Describe **five** distinctions between a public ltd company and public corporation

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11 Distinguish between a public limited company and a private limited company

12 Katwaa is a member of Bidii savings and credit Co-operative. (SACCO).

What benefits

does she enjoy for being a member of the SACCO