

## **BUSINESS STUDIES FORM TWO MARKING SCHEME**

**1. Outline four functions of retailers to consumers (4marks)**

Credit facilities  
Provide after sale services  
Provide variety of goods  
Availing goods  
Breaking bulk  
Advice

**2. Outline four circumstances under which one would prefer to be paid by cash rather than by cheque (4marks)**

If it is the only means of payment available  
Where the amount involved is small  
Where the payee does not accept other means of payment  
Where the payee requires cash urgently

**3. Highlight five factors to be considered when selecting office equipment (5marks)**

Cost  
Adaptability  
Durability  
Effect on staff morale  
Availability of man power

**4. Give four demerits of sole proprietorship as form of business unit (4marks)**

Has unlimited liability  
Lack of specialization in running of business  
Expansion of the business may be limited by scarcity of capital  
Death of the owner may lead to the collapse of the business  
The owner bears all the risks and in case of a loss he suffers alone

**5. Outline the sources of capital for co-operatives (4marks)**

Members contribution  
Retain profit  
Income from investment  
Income from credit facilities

**6. Outline four circumstances under which a partnership may be dissolved (4marks)**

If the partner mutually agree to dissolve the business  
In case of death , insanity or bankruptcy of a partner  
In case of completion of the intended purpose  
In case of court orders

**7. Highlight the contents of the articles of association (4marks)**

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

**8. Give five ways government get involved in business activities (5marks)**

Producing goods and services  
Distributing goods and services  
Advising producers and traders  
As a consumer of goods and services  
Promoting trade and economic development

**9. State three ways in which government may regulate business activities (3marks)**

Licensing  
Ensuring standards  
Legislation

**10. List five methods used by the government to protect consumers (5marks)**

Setting up standards  
Weights and measures acts  
Foods and drugs act  
Licenses  
Public health act

**11. Highlight limitation of consumers-initiated method of consumer protection (5marks)**

Lack of support from the government  
Lack of enough capital to finance their organisations  
Ignorance of consumers about their rights  
Reluctance of many consumers to join this associations  
Lack of initiative from consumers to check on traders performance

**12. Give four essential element of transport (4marks)**

Unit of carriage

Methods of propulsion

Ways

Terminals

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

Linking consumers to producers

Employment creation

Promote specialization

Making goods and services more useful

Avoiding wastage

**14. Give two trends in transport (2mks)**

Pipeline and containerization

Electric trains and replacing diesel engines