**OPENER EXAMS TERM 2 YEAR 2020**

**FORM 2 BUSINESS STUDIES**

1. **State the term given to each of the following statements.(4mks)**

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| **Statement** | **Term** |
| 1. **Movement of goods and services from producers to consumers** |  |
| 1. **Creation of goods and services** |  |
| 1. **Using a good or service** |  |
| 1. **Satisfaction derived from using a good or a service.** |  |

1. **Give four sources of business ideas.(4mks)**
2. **Under what circumstances would cash with order (c.w.o) be appropriate in a business.(4mks)**
3. **Outline four principles of cooperatives (4mks)**
4. **Give four sources of capital for a limited liability company (4mks)**
5. **State four advantages of partnerships over sole proprietorship.(4mks)**
6. **Outline four measures taken by an office business to safeguard an organization property.(4mks)**
7. **Outline four advantages of an enclosed office layout.(4mks)**
8. **State four factors of production giving a reward for each.(4mks)**
9. **Identify the macro-environmental factors affecting business operations as described by the following.**

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| **Statement** | **Factor** |
| 1. **.Law and policies that regulate business activities.** |  |
| 1. **Affects buyer’s ability to buy commodities offered by a business.** |  |
| 1. **Firms selling similar products trying to outdo each other.** |  |
| 1. **Dictates how people live and what products they consume.** |  |

1. **Give four reasons why office documents should be filed.(4mks)**
2. **Outline four features of a supermarket (4mks)**
3. **Outline four reasons why choice is important in satisfaction of human wants.(4mks)**

**SECTION B.**

**ANSWER ALL QUESTIONS IN THIS SECTION**

1. **a. Explain three roles of an entrepreneur to an economy .(6mks)**

**b. Identify four characteristics of economic resorces (4mks)**

1. **a.A form four School leaver intends to start a business. Outline three ways in which knowledge of business studies will benefit him.(6mks)**