

**MID-TERM EXAM
TERM ONE 2023
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

