**OPENER EXAMINATION TERM 2 YEAR 2020**

**BUSINESS**

**NAME …………………………………………………ADM………………CLASS………..**

***Instructions***

* ***Answer All Questions in section A and Any three in section B.***

1. Outline four assumptions that are associated with perfect competition. (4mks)
2. Highlight four circumstances under which a trader may wish to hire an office machine rather than purchasing it. (4mks)
3. State four gaps that an entrepreneur can exploit. (4mks)
4. Assuming you are a human resource manager in an institution, outline four measures you can take to improve employees productivity. (4mks)
5. Land is a basic factor in production. Outline four characteristics that describe it. (4mks)
6. Outline four limitation of using free samples in product promotion. (4mks)
7. State four characteristic of a good filling system. (4mks)
8. Outline four uses of a delivery note in trade. (4mks)
9. Define the following terms. (4mks)

a) Monopoly –

b) Duopoly-

c) Product differentiation –

d) Market –

1. Name the type of business organization described in each of the following. (4mks)

|  |  |
| --- | --- |
| Description | Business Organization |
| Formed by act of parliament |  |
| May have infinite members |  |
| Managed by a committee |  |
| Formed between two to fifty partners |  |

**SECTION B**

1. Explain five sources of monopoly power. (10mks)
2. Explain five factors that need to be considered before a firm start producing a certain production. (10mks)
3. Outline five disadvantages of localization of firms. (10mks)
4. Explain five factors influencing the choice of distribution channel. (10mks)