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

**END TERM 2 - 2021**

**BUSINESS STUDIES MARKING SCHEME**

**FORM 2**

**Instructions**.

Answer all questions in the spaces provided.

1. State four reasons why it is difficult to satisfy human wants. (4mks)

* **Human wants are unlimited.**
* **Resources to satisfy human wants are scarce.**
* **Recurrent.**
* **Habitual.**
* **Vary in intensity and urgency.**

2. State any four clauses contained in the memorandum of association. (4mks)

* **Name clause.**
* **Situation clause.**
* **Capital clause.**
* **Objective clause.**
* **Liability clause.**
* **Declaration.**

3. State the nature of the following production activities

|  |  |
| --- | --- |
| Activity  | **Nature**  |
| (a)Flour milling | **Processing.**  |
| (b)Bread baking | **Manufacturing .** |
| (c)Cloth making | **Manufacturing.**  |
| (d)Cotton ginning | **Processing .** |

4. State four situations that indicate existence of a business opportunity. (4mks)

* **Unavailability of products.**
* **Inadequate commodities.**
* **Too high prices.**
* **Poor quality product.**
* **Poor services.**

5. Highlight any four roles that are played by ethics in businesses. (4mks)

* **Ensures fare play in competition.**
* **Ensures right s of employees are upheld**
* **Ensures customers are well treated.**
* **Ensures business operates in compliance with the law.**
* **Ensures right people are assigned right job.**

6. Identify four roles that equipments play in an office. (4mks)

* **Enables work to be done fast.**
* **Enhances better quality output and more presentable.**
* **Makes work easy and enjoyable.**
* **Provides comfortable working experience.**
* **Ensures security and effective control of work**
* **Increased productivity of employees.**

7. Outline four circumstances under which a partnership may be dissolved. (4mks)

* **If the partner mutually agree to dissolve the business.**
* **Incase of death, insanity or bankruptcy of a partner.**
* **Incase of completion of the intended purpose.**
* **Incase of course orders.**

8. State three ways in which government may regulate business activities. (3mks)

* **Licensing.**
* **Ensuring standards.**
* **Legislation.**

9. Outline the sources of capital for co-operatives. (4mks)

* **Members contribution.**
* **Retained profit.**
* **Income from investment.**
* **Income from credit facilities.**

10. Highlight five factors to be considered when selecting office equipment. (5mks)

* **Cost.**
* **Adaptability.**
* **Durability.**
* **Effect on staff morale.**
* **Availability of man power.**

11. Highlight the contents of articles of association. (4mks)

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

12. Give four essential elements of transport. (4mks)

* **Unit of carriage.**
* **Methods of propulsion.**
* **Ways.**
* **Terminals.**

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

* **Linking consumers to producers.**
* **Employment creation.**
* **Promote specialization.**
* **Making goods and services more useful.**
* **Avoiding wastage.**

14. Highlight four reasons for studying business studies in Kenya. (4mks)

* **Career.**
* **Helps in appreciating role of government in business.**
* **Helps learners to appreciate the need of ethics in business.**
* **Assist learners to understand his/her environment better.**
* **Assist learner to acquire self discipline and positive attitude towards work.**

15. Name four accounting documents that are used in home trade.

* **Statement of account**
* **Debit note**
* **Payment voucher**
* **Credit note**
* **Receipt**

16. Identify four elements of effective communications. (4mks)

**(a) Sender- the one who originates the message.**

**(b) Message – subject matter of communication.**

**(c) Channel/medium-means through which the message is sent.**

17. Identify four common means of verbal communication. (4mks)

**(a) Face to face conversation.**

**(b) Telephone conversation.**

**(c)Paging**

**(d)Radio calls.**