

# END OF TERM 1 EXAMS

## BUSINESS STUDIES

### FORM THREE

#### PAPER 2

TIME: 2 HOURS

NAME.....ADM NO:.....

SIGN.....

INDEX NO:.....

1a) Explain five features that differentiate a public corporation from a private limited company form of a business unit (10mks)

b) Explain five reasons why citizens may experience low standards of living despite improvement in the per capita income (10mks)

2a) Discuss five reasons why a manufacturer may decide to sell directly to consumers (10mks)

b) Explain five benefits that would accrue to a country as a result of delocalization (10mks)

3a) Explain five circumstances under which the nature of goods would influence the choice of the means of transport (10mks)

b) Using a well labeled diagram, explain the flow of income in a two sector economy (10mks)

4a) Discuss five methods that can be used by the government to solve unemployment in the country today (10mks)

b) Explain five roles of insurance in the development of the economy (10mks)

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5a) Explain five measures put in place by the government to bring order in road transport sector in Kenya today (10mks)

b) Discuss five ways in which communication enhances trading activities (10mks)

6a) Explain five factors that influence choice of distribution channel (10mks)

b) Explain five factors that constitute a healthy external environment for business (10mks)

**HAPPY HOLIDAY**