

## BUSSINESS FORM 2 ASSIGNMENT

MAY 2020

1. State **four** elements of transport. (4 Marks)
2. Give **four** reasons why people prefer to start a partnership over a sole proprietorship. (4 Marks)  
a)
3. State **four** reasons that justify regular use of face to face communication. (4 Marks)
4. In the spaces provided below, indicate using a tick, whether each of the statements relate to memorandum or articles of association. (5 Marks)

Statement	Memorandum of Association	Articles of Association
i) Indicates the procedure to be followed when calling annual general meeting		
ii) Shows the purpose for which the business was formed		
iii) Shows the powers and duties of directors		
iv) Indicates the liabilities of shareholders		
v) Shows the authorized capital of a company		

5. Outline **four** demerits that Kenya experiences from relying on oil as the main source of energy. (4 Marks)
6. Identify the **three** core functions of warehousing. (3 Marks)
7. Name the principle described by each of the following statements: - (5 Marks)

Statement	Principle
i) The insured must disclose all relevant material / facts	
ii) Remains of damaged property belongs to the insurer after full compensation	
iii) One can only be compensated if he/she was owner of damaged property	

iv) There is a close connection between cause of loss and risk insured	
v) Compensation restores one to his original financial position before occurrence of risk	

8. Outline any **four** contents of a good product promotion message. (4 Marks)
9. State **four** reasons why the government involves itself in licensing business. (4 Marks)
10. Highlight **four** characteristics of human wants. (4 Marks)
11. State the use of each of the machine given in the table below. (4 Marks)

Machine	Use
i) Paper shredder	
ii) Guillotine	
iii) Paper punch	
iv) Stapler	

12. Handcarts have become popular in urban centres as a means of transport. Give **three** reasons why this is so. (3 Marks)
13. Outline **four** benefits of indirect production. (4 Marks)
14. Give **four** reasons why a customer may prefer to buy goods on credit rather than on hire purchase. (4 Marks)
15. State **four** characteristics of an entrepreneur. (4 Marks)
16. State **four** features of a bonded warehouse. (4 Marks)
17. Indicate using a tick whether the factors given below are external or internal business environment. (5 Marks)

Factor	Internal	External
i) Business policies		
ii) Competition		
iii) Customers		
iv) Taxes		
v) Cultural beliefs/ traditions		