FORMS OF BUSINESS UNITS

KCSE QUICK REVISION

Compilation of Possible Questions in Business Studies Likely to be Examined in KCSE.

A Special Analysis of Prediction Questions that may be Tested in KCSE from this Topic in Form 2.

BUSINESS STUDIES

SERIES 1

For Marking Schemes

Mr Isaboke 0746 222 000 / 0742 999 000

MWALIMU CONSULTANCY

FORMS OF BUSINESS UNITS

The topic entails:

- **The basis of classification of business units e.g. sole proprietorship.**
- **Classification of business units on the basis of meaning, features, ownership, formation, sources of capital, merits and demerits, circumstances under which each form will be dissolved.**
- **Trends in business ownership.**

1. State **four** requirements necessary to secure a loan from the SACCO's

2. Give **four** hitches faced by the government of Kenya in the endeavor to privatize state firms

3. Outline **five** benefits of becoming a member of a savings and credit cooperative society (SACCO)

4. In the spaces provided below, write the type of partner described by each of the following statements

(i) One who is below 18years of age
(ii) One who has unlimited liability
(iii) One who gets involved in the daily running of the business
(iv) One who allows his/her name to be used in the business

5. Otwoma intends to start a business. Give **four** reasons why it is advisable for him to start a retail business shop instead of buying shares in a public limited company

6. State **four** circumstances that may lead to the dissolution of a partnership

7. State **four** features of incorporated business units

8. List **four** documents that are required before a public limited company is allowed to operate in the country

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10. Highlight **four** ways in which the running of public corporations is ineffective in this country

11. You have been charged with a duty of preparing an article of Association for your company; state **four** items that you will include in your article of Association

12. Honey intends to join a consumer Co-operate society; Highlight **four** benefits she would get by being a member of the society

13. State **four** features of multinational corporation

14. State **four** type of partnership businesses

15 Explain **five** advantages that Melinda could derive by investing in shares of a public limited

16 The following information was extracted from books of Chunga Traders for the period ending

31/12/2000:- Fixed assets – 350,000
Drawings – 50,000
Creditors – 50,000
Cash – 60,000
Discount received 4,000
Rent – 12,000
Bank overdraft – 10,000
Debtors – 20,000
Stock (31/12/2000)-30,000
Commission received – 6,000
Gross profit – 80,000
Electricity – 3,000
Stock (11/1/2000) – 50,000

Salaries – 20,000

Calculate:- (i) Working capital
(ii) Capital employed

17 Distinguish between a public corporation and a public ltd company

18 Describe the procedure that a shareholder would follow in selling share through the stock exchange.

19 Challenges faced by the savings and credit cooperative societies

20 The Kenya Government has been privatizing its parastatals to would be investors. Explain any **five** benefits of the privatization process to the government

21. Explain **five** differences between private limited companies and public limited companies

22 Discuss **five** benefits that the Kenyan government may get by privatizing a state corporation

23 Describe **five** circumstances under which limited liability companies may be liquidated

24 Describe **five** distinctions between a public ltd company and public corporation

25 Distinguish between a public limited company and a private limited company

26 Katwaa is a member of Bidii savings and credit Co-operative. (SACCO). What benefits does she enjoy for being a member of the SACCO

For Marking Schemes/Answers

Contact Mr Isaboke

0746-222-000

OR

0742-999-000

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- ✓TOP SCHOOLS PREMOCKS
- ✓JOINT PREMOCKS
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CALL/TEXT/WHATSAPP

0746 222 000 / 0742 999 000

mwalimuconsultancy@gmail.com

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BY
MR ISABOKE