

Name:

ADM No: Date:

School:



BUSINESS STUDIES

FORM THREE

July-August 2026

Time: 2 hours 30 Minutes

INSTRUCTIONS:

Write your name and admission number in the spaces provided above.

This paper consists of two sections i.e. sections A and B.

Answer all questions in section A and THREE questions only in section B.

Answer all questions in paper in the spaces provided below each question.

Answer the questions in English.

SECTION A (70 Marks): Answer all questions in this section.

1. State **four** measures a business can take to ensure that its environment is conducive to its business activities. (4 Marks)

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2. State **four** characteristics of economic resources. (4 Marks)

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3. Outline **four** characteristics of land that distinguish it from labour. (4 Marks)

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4. Identify **four** factors of an efficient retail outlet (4 Marks)

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5. State **four** differences between a bill of exchange and a cheque (4 Marks)

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6. Outline **four** factors that should be considered when choosing an appropriate means of communication (4 Marks)

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7. Outline **four** ways in which development of transport has facilitated trade (4 Marks)

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8. Highlight **four** benefits of a business plan to an entrepreneur. (4 marks)

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9. State **four** disadvantages of persuasive advertising to consumers. (4 Marks)

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10. State the significance of the following principles of insurance to the insured party.

(a) Utmost good faith (2 Marks)

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(b) Proximate cause (2 Marks)

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11. State **four** advantages of bonded warehouse to the importer. (4 Marks)

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12. Outline **three** ways through which a partnership may be formed. (3 Marks)

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13. Highlight **four** characteristics of a monopolistic competitive market. (4 Marks)

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14. Outline **four** factors that would lead to a shift of demand curve to the right. (4 Marks)

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15. Outline **three** benefits that may be realised when two firms form a merger. (3 Marks)

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16. Highlight **four** limitations of per capita income as a measure of standards of living. (4 Marks)

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17. Outline **four** negative effects of an ageing population to an economy. (4 Marks)

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18. State **four** duties of the office clerk. (4 Marks)

SECTION B (30 Marks): Answer any three questions in this section.

19. Explain **five** clauses that must be specified in the Memorandum of Association of a public limited company. (10 Marks)

