

QUESTION ONE

- a) Explain what you understand by the term ‘Business’.(6 marks)
- b) The concept of social responsibility of business is concerned with the obligation that business has in helping promote the welfare of the society. Outline FIVE Arguments for and against social responsibility of business. (10 marks)
- c) Highlight the contributions of small businesses to the economy (9 marks)

QUESTION TWO

- a) Contrast sole proprietorship and partnership.(5 marks)
- b) Describe circumstances for dissolution of a partnership.(10 marks)

QUESTION THREE

- a) There are different types of economic utility. Describe **FOUR** forms of economic utility. (10 marks)
- b) State major characteristics of entrepreneurs. (5marks)

QUESTION FOUR

- a) Identify and explain specific factors in the Demographic environment which may be relevant to a business firm in Kenya.(8 marks)
- b) ‘Environment presents both opportunities and constraints to organizations’. Discuss (7 marks)

QUESTION FIVE

- a) State **FIVE** reasons for government involvement in business activities. (10 marks)
- b) Elucidate reasons why government enterprises perform poorly relative to their private counterparts. (5 marks)

QUESTION SIX

With the use of examples, identify the elements of legal environment and explain the effect of each on a business. (15 marks)