**FORM 3**

**BUSINESS STUDIES.**

**TIME: 1 HOUR.**

**NAME: ………………………………………………………………………**

**ADM NUMBER: ………………………**

***Attempt ALL the questions in the spaces provided (40marks)***

1. Using a diagram show the effect on equilibrium price and quantity when supply increases and demand falls.

(4 marks)

1. Give any four reasons why small scale firms continue to exist in an economy dominated by large scale firms. (4 marks)

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1. Outline four characteristics of an Oligopolistic market structure. (4 marks)

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1. The Kenyan government has been trying to attract business operations in certain areas. Highlight four measures that the government can take to achieve this. (4 marks)

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1. Give four differences between perfect competition and monopolistic competition markets. [4marks]

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1. Highlight four factors that may lead to the supply curve shifting to the right when the demand remains the same. (4mks)

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7. State four types of external economies of scale. (4 marks)

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8. Outline four ways that activities from industries can adversely affect the environment adversely. (4mks)

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9. Outline four factors to consider when deciding on a suitable location of an office. (4 marks)

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10. Distinguish between (4 marks)

a) Derived demand and joint demand

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b) Shift and movement along demand curve

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