

BUSINESS STUDIES

FORM 1

END OF TERM 2

MARKING SCHEME-CONFIDENTIAL

1. Purposes of a Business.

- To make profits
- Utilise spare time
- Be own boss
- Create employment
- Create government revenue
- Provide essential goods/services to a special group of people

Any 4x1 =4mks

2. Types of business activities.

- Extraction
- Processing of raw materials
- Manufacturing
- Construction
- Trade
- Provision of services
- Distribution of goods

Any 4x1 =4mks

3. Disciplines of Business Studies.

- Accounting
- Commerce
- Economics
- Entrepreneurship
- Office practice

Any 4x1 =4mks

4. Benefits of studying Business studies.

- Acquire knowledge and skills to start a business
- Appreciate the role of business in the society
- Develop skills for wise buying and selling
- Develop critical thinking and rational judgement
- Appreciate the need for ethical practices in business
- Get a firm foundation for further training

Any 4x1 =4mks

5. Business environment.

- External
- ii)Internal

- iii) External
- iv) External
- v) Internal
- vi) External
- vii) Internal
- viii) Internal

Any 8x1/2= 4mks

6. Favourable internal factors for business to thrive.

- Availability of raw materials/inputs
- Adequate capital/finance
- Skilled workers
- Well outlined organizational structure
- Clearly stated goals and objectives
- up to date methods of production

Any 4x1 =4mks

7. i) **Basic wants** –things that man must have to survive/stay alive
ii) **Secondary wants** – Things that man needs to lead a comfortable live.

8. Classification of human wants.

- Unlimited
 - Competitive
 - Recurrent
 - Some are universal
 - Some are complementary
 - They vary in urgency and intensity
 - Some are habitual
- 4x1=4mks

Any

9. Why Omondi will satisfy hunger for food before going to Chaka Ranch for entertainment.

- Basic wants are essential for survival
- Resources are limited
- Basic wants cannot be postponed
- Basic wants are recurrent

Any 4x1 =4mks

10. Differences between goods and services.

GOODS

- Can be stored
- Can be separated from the producer
- Quality can be standardized
- Are tangible/visible
- Goods are not always perishable

SERVICES

- Can not be stored
- cannot be separated from the producer
- Quality cannot be standardized
- Are intangible /invisible
- Services are highly perishable

NB: **Differences must match**

Any 4x1 =4mks

11. Classifications of Economic Resources.

- .-Natural

- Manmade

- Human

1x3mks

12. Characteristics of economic resources.

- They are limited in supply
- Have money value
- Quality can be improved
- Can be combined to produce goods and services
- Have utility
- Some can be transferred from one person to another
- Most of them have varied uses.

Any 4x1=4mks

13. Renewable and non-renewable resources.

- (i) Non-renewable
- (ii) Renewable
- (iii) Renewable
- (iv) Renewable
- (v) Renewable
- (vi) Renewable
- (vii) Renewable
- (viii) Non-Renewable

½x 8=4mks

14. Types of utility.

- (i) Form
- (Ii) Time
- (Iii) Possession

- (Iv)Form
- (V) Form
- (Vi) Possession
- (Vii) Place
- (Viii) Form

$\frac{1}{2} \times 8 = 4\text{mks}$

15. Disadvantages of direct production.

- Doesn't Allow Specialization.
- Promotes Individualism.
- Does Not Encourage Invention And Innovation.
- Limited Choice for Consumers
- No Surplus for the Market.
- Low Quality Goods.

Any 4 x 1 =4mks

16. Levels of production.

- (i) Primary
- (ii) Secondary
- (iii) Tertiary
- (iv) Secondary
- (v) Tertiary
- (vi) Primary
- (vii)Tertiary
- (viii) Secondary

$\frac{1}{2} \times 8 = 4\text{mks.}$

17. Features of land as factor of production.

- Geographically immobile
- Supply cannot be increased
- Basic factor of production
- Productivity differs from one place to another.
- Productivity can be improved.
- Has more than one use.
- Reward is rent/rates/royalty.

Any 4 x 1=4mks.

18. Demerits of Division of labour.

- Work becomes monotonous and boring.
- Converts man into machine –like creatures.

- Creates unemployment.
- Lacks pride provide in the final product.
- Social problems.
- Absenteeism of one worker leads to stoppage of work.

Any 4 x 1=4mks

19. Types of goods.

- Producer goods-Goods used in the production of other goods. E.g machinery, tools.
- Intermediate-unfinished goods used in the production other goods. E.g cement.
- Economic goods –Goods whose supply is scarce and have money value e.g wild animals.
- Public goods –Goods owned by the government on behalf of its citizens e.g public hospitals.

Definition ½mk

Example ½mk x 8 =4mks

20. Importances of Entrepreneurship.

- Create employment
- Formation of capital
- Utilization of resources
- Raising the standard of living
- Improved infrastructure
- Transfer of technology.

Any 4 x 1=4mks.

21. Characteristics of an entrepreneur.

- Risk taker
- Hand working
- Innovative
- Desire to achieve
- Goal –oriented
- Time conscious

Any 4 x 1=4mks.

22. Sources of business ideas.

- Listen to what people say
- Surveys
- Hobbies
- Identifying a business gap
- Newspapers and magazines
- Tvs and radios
- Shows and exhibitions etc

Any 4 x 1 =4mks.

23. Factors to consider when evaluating a business opportunity.

- Availability of market
- Financial requirement
- Legal/government policy
- Competition in the market
- Availability of raw materials
- Personal abilities of the entrepreneur
- Technological requirement

Any 4 x 1=4mks

24. Importance of a Business plan.

- Avoiding mistakes
- Assist to obtain finance
- Motivating factors to employees
- Proper allocation of resources
- Identification of strengths and weaknesses
- Adaptation to future changes.

Any 4 x 1=4mks.

25. Functions of an office.

- Administration
- Communication
- Storage of information
- Reproduction of documents
- Mailings
- Safeguarding the firms property.

Any 4 x 1=4mks.