

BUSINESS STUDIES MARKING SCHEME.

**1. Meaning of business**

A business is any activity carried out by an individual with an aim of making profit. 1x1

**2. Terms**

Distribution

Production

Consumption 3x1 (3mks)

**3. Subjects related to business Studies**

Commerce

Accounting

Economics

Entrepreneurship

Office practice

**4. Characteristics of human wants.**

They are insatiable

They vary in urgency and intensity

They are universal

They are competitive

They are recurrent

Require resources to be satisfied

They are habit forming

They are complimentary

Any 4x1  
=4mks

**5. Characteristics of economic resources**

They are limited /scarce in supply

They have money value

They are unevenly distributed from region to region, country to country or community to community.

Some can be transferred from one person to another.

Can change ownership

Can be combined in various proportions.

Any 4x1  
=4mks

**6. Renewable or non renewable resources**

Renewable

Non-renewable

Renewable

Renewable

Renewable

Renewable

Non-renewable

Non-renewable

Any 8x½  
=4mks

**7. Factors that contribute to a healthy business environment**

- Clean water to drink/use
- Clean air
- Proper waste disposal
- Limited noise

Any 4x1  
=4mks

8. Basic  
Secondary  
Basic  
Secondary

Any 4x1  
=4mks

**9. Characteristics of services**

- Are intangible
- Cannot be standardized
- Cannot be separated from the provider
- Services are highly perishable
- Cannot be seen.

Any 4x1  
=4mks

**10. Classification of factors**

- External
- Internal
- External
- Internal
- External

Any 5x1  
=5mks

**11. Characteristics of basic human wants.**

- They are felt needs
- One cannot do without them
- They cannot be postponed
- They are satisfied before secondary wants

Any 4x1  
=4mks

**12. Difficulties/challenges faced in satisfaction of human wants.**

- Human wants are too many and varied to satisfy fully/unlimited
- The resources needed for the satisfaction of human wants are never enough.
- Resources are scarce
- Human wants are recurrent
- Human wants change with time age and gender.

Any 4x1  
=4mks

**13. comforts**

- Wants that improve ones living standards beyond the level of mere survival.  
e.g furniture, security ,education.
- Luxuries:**

Requirements that provide excessive comfort e.g gold watches, diamond necklaces, fourty bedroomed house etc. biscuits,sweets.

Meaning 1  
Example 2x2 =4mks

**14. Macro-environmental factors.**

- Legal political
- Economic
- Enterprise compensation
- Cultural

Any 4x1=4mks

**15. Complementary wants**

Where wants are simultaneous. When more items must be used together.

**Wants are habitual**

Where one becomes addicted to a particular want or where one develops the taste for a commodity so that he/she uses it again and again.

Any 2x2

=4mks

**16. Natural sources of energy**

- Solar/sun energy
- Firewood/charcoal
- Geothermal power/steam power/hot springs
- Hydro electric power/water power
- Biogas

Any 4x1  
=4mks

**17. Benefits that may accrue to a firm that uses modern technology.**

- Increased productivity
- Improvement in service delivery
- Lowering production costs
- Standardization of products
- Increase accuracy in operations
- Facilitates decision making
- Helps in providing a variety of goods and services.

Any 4x1  
=4mks

SECTIO B.

**19. Internal factors that may positively influence the business.**

- a. Adequate /enough finances
- Well trained human resources /manpower
- Adequate physical resources such as furniture
- Well organized business structure
- Positive culture

Any 3x2  
=6mks

b. Meanign of SWOT

- S-Strengths
- W-Weaknesses
- O- Opportunies

T-Threats

Any 4x1  
=4mks

**20. a. Meaning of terms**

Scarcity: Limited nature of economic resources.

Choice: the act of deciding what want to satisfy first with the scarce resources available.

Opportunity cost: The cost of the foregone alternative  
Any 1x2  
=6mks

**Characteristics of goods**

Are tangible

Can be stored

Quality can be standardized

Can change possession

Are visible

Can change in quality over time.

Any 4x1  
=4mks

**21.a. Benefits of studying business studies to the society.**

It helps learners to acquire knowledge and awareness of business terminologies which are necessary when discussing business issues.

Its aid in understanding and appreciating the role of business in society.

It equips the learners with knowledge skills necessary to start and run a business comfortably.

Makes the members of society to appreciate the need for good business management.

Enables the individuals to understand the role of government in business activities.

Assist individuals to acquire self discipline and positive attitude towards work.

Any 3x2  
6mks

**b. Categories of business activities**

Extraction

Processing of raw materials

Manufacturing

Construction

Trade

Provision of services

Any 4x1  
=4mks

**22.a. Natural resources.**

Resources that are made available by nature. e.g Natural forests, rivers, mountains, lakes, climate, land.

Man made resources

Resources created by human beings to be used in satisfying their wants. e.g tools, machines and commercial vehicles.

**Human resources**

Human beings when rendering services in production

e.g. teachers, doctors, carpenters and drivers.

Explanation(1mk)

Example            1mk  
                          2x3(6mks)

**b.Reasons for starting a business**

- To provide goods and services
- To create employment
- To earn profit
- As an outlet for new innovations
- To be an own boss
- To utilize extra resources
- To offers special services
- Utilize spare time.

Any 4x1  
=4mks