

BUSINESS TUDIES MARKING SCHEME.

1. Distribution

Production
Consumption
Utility

Any 4x1=4mks

2. Sources of business idea.

- Building on ones skills, hobbies or interests.
- Combining two existing business ideas
- Identifying a market gap
- Listening to what people say
- Recycling waste materials
- Reading newspapers, journals and magazines
- Brainstorming
- Carrying out market research

Any 4x1=4mks

3. Circumstances under which cash with order is appropriate

- When the buyer is new to the seller
- Where the buyer's credit worthiness in doubt
- Where the seller is opening mail order business
- where cash with order is the policy of the business.

Any 4x1=4mks

4. Principles of cooperatives

- Voluntary and open membership
- Democratic administration
- Limited interest on share capital
- cooperation with other cooperatives
- Promotion of education to members
- Provision of dividends to members

Any 4x1=4mks

5. Sources of capital for a limited liability company.

- Sale of shares
- Borrowing from commercial banks and other financial institutions
- Profits from the operations of the business/retained profits /profit ploughed bak
- Trade credit from suppliers
- Leasing and renting of property.
- Acquiring property through hire purchase
- Bank overdraft

Debentures

Any 4x1=4mks

6. Advantages of partnerships over sole proprietorship.

- A partnership may be able to raise more capital than a sole proprietorship.
- Sharing of ideas between partners produces better results as opposed to sole proprietorship where there is only one person to make all the decisions.
- In partnership losses are shared among partners when they occur while a sole proprietor breaks all losses alone.
- There is sharing of work among the partners make use of each others expertise as opposed to a sole proprietor who performs all the duties alone.
- In partnerships there is combining of talents, from the different partners as opposed to sole proprietorship.

Any 4x1=4mks

7. Roles of stock exchange market to the economy.

- Facilitates buying of shares
- Safe guarding investor's interests.
- Assisting companies to raise capital
- Creation of employment
- Revision of revenue for the government

Any 4x1=4mks

8. Measures taken by an office to safeguard an organization's property.

- Enhancing security against theft e.g. by employing watchman, installing security lights and fencing business premises.
- Ensuring physical care by people using the property
- Keeping records of movement and usage of each of the property.
- Physical stock taking of each property
- taking insurance cover
- Proper repairs, servicing and maintenance.

Any 4x1=4mks

9. Advantages of enclosed office layout.

- There is privacy and confidential discussion.
- There is less noise and disruption from workers and machines.
- Conducive working environment
- Confers status to top level employees
- Provide security for valuable and sensitive items such as documents and cash.
- Air conditioning, lightning and heating in the room may be controlled according to the needs of the occupants.

Any 4x1(4mks)

10. Factors of production and their rewards.

Factor	Reward
Land	Rent/Royalty
Labour	Wages /salaries

Capital	Interest
Entrepreneurship	Profit

11. Macro-environmental factors.

- Legal-political
- Economic
- Competitive
- Cultural

Any 4x1=4mks

12. Levels of production

- Primary
- Secondary
- Tertiary
- Secondary

Any 4x1=4mks

13. Reasons for filing office documents.

- To keep the office clean/tidy
- To keep the documents in good condition/protected from damage.
- To save on space in the office
- To gather related documents together
- To facilitate easy retrieval /finding of needed documents.
- To provide records for future reference.(4x1=4mks)

14. Features of a supermarket.

- Stocks a wide variety of goods.
- Operates on self service /selection basis
- All goods have price tags attached
- Sells goods in cash basis
- Free packaging of goods customers buy
- Saves time by using machines /cash registers to bill customers.
- Operates for long hours
- Increases sales volume by giving promotional rewards for bulky/large scale purchases
- Accept credit/debit cards as a means of payment.

Any 4x1=4mks

15. Reasons why choice is important in the satisfaction of human wants.

- Wants are unlimited in number while available resources are scarce.
- Some wants are more urgent and intense than others.
- Commodities sell at different prices hence one has to choose what is affordable.
- There are many varieties of products that satisfy the same wants.

Commodities differ in quality and other salient features.

-Consumers financial position vary with time hence a budget is needed

-Some wants are recurrent hence must be catered for quite often.

-Human wants are competitive hence a choice is needed. 4x1=4mks

16. –**Universal**

-Unlimited

Any 2x1=2mks

17. –**Catalogue**

-Acknowledgement note

-Receipt/Cash sales.

Any 4x1=4mks

18. Forms of business units

-Partnership

-Public limited company

-Public corporation

-Private limited company. (4x1=4mks

SECTION B.

19. a. **Roles of an entrepreneur to the economy**

-creation of employment

-Formation of capital

-Reducing rural –urban migration through setting up businesses in rural areas

-Revising standards of living through availing of quality goods and services to citizens and paying them wages and salaries.

-Saving on imports by producing import substitutes

-Reducing foreign dominance of the economy

-promotion of technology

-Portion of entrepreneurial culture. Any 3x2=6mks

b. Characteristics of land as a factor of production

-A basic factor of production

-Its supply is fixed

-It lacks geographical mobility

-Quality is not homogenous

-Productivity can be increased by increasing capital and labour.

It is a natural resource

Can be put into various uses /more than one use. Any 4x1=4mks

20. a.

Ordinary shares	Preference shares
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1) Have no fixed of divided	i.Have fixed rate of dividends
2) Have a voting rights	ii.Have no voting rights
3) Have a claim to divided after preference shares	iii.Have prior claim to dividends over ordinary shares.
4) If the company is being liquidated they are paid last after the preference shares.	iv.If the company is being liquidated they are paid first prior to ordinary shares

Any 3x2=6mks

b. Characteristics of economic resources

- They are scarce
- They have money value
- The are unevenly distributed from region to region, county to country or community to community.
- They have ability to create utility when combined
- Some can be transferred from one person to another
- Most of them have alternative uses/variety of uses.

Any 4x1=4mks

21. a. Benefits of Business studies

- Enables him or her to understand the general business environment
- He/she is able to make informed decisions on the consumption of goods and services
- He/She is able to understand /appreciate the role of government in Business.
- He/she is able to appreciate the need for ethical practices in business
- Equips him/her with relevant skills to start and mange the business
- Enables him /her to appreciate the role played by market forces in business/know how to price. Any 3x2=6mks

b. Office documents.

-Composite machine

Dictaphone

-Cash register

Guillotine Any 4x1=4mks

22. a. Importance of trade

- Trade helps to make the goods available

-Trade provides a variety of goods for consumers to choose from \-Trade promotes peace and understanding between communities and countries

-It provides a market for surplus goods

-Trade creates employment opportunities

-Trade is a source of government revenue

Trade earns a country foreign exchange

Any 3x2=6mks

b. Advantages of a hawker over a shopkeeper

-Does not require as much capital to start the business

-Operations costs are lower than those of a shopkeeper

-Has a closer contact with the customers

-is more flexible in making business decisions

-Able to go where customers are

-Price is not fixed.

-Sell in cash hence no bad debts Any 4x1=4mks