NOVEMBER 2021 EXAMINATION

FORM 1 BUSINESS STUDIES MARKING SCHEME

1. Enumerate the benefits of studying business studies to a student. (4mks)
   - It equips the student with knowledge and skills required to evaluate business performance
   - Helps the individual student to develop positive attitude towards the environment
   - Assist the individual student acquire self-discipline and positive attitude towards work
   - Assist the individual student understand the role of government in business activities.
   - Equips the learner with knowledge and skills necessary to start and run a business comfortably
   - Helps the individual student in appreciating the role of business in provision of goods and services.

   (4 x 1 = 4mks)
2. Highlight **four** benefits of a business plan to an entrepreneur. (4 Mks)

- Facilitates acquisition of loans from financial institutions and other financiers
- Provides guidance for opening new or expanding existing business /adaptability
- It acts as a management tool for the business / monitoring tool / identifies strengths
- It's a tool for evaluating business performance
- It lays the strategy to be used in marketing the products
- It enhances the credibility of the business
- It's a motivational tool
- To avoid mistakes
- Proper allocation of resources
- To determine how much resources are required e.g. labour, capital etc /source of capital
- Will help to identify the nature and scope of the market.

3. Give four aids to trade (4mks)
   - Transport
   - Banking
   - Warehousing
   - Communication
   - Advertisement
   - Insurance

   (4 x 1 = 4mks)
4. State four reasons why choice should be made in satisfying human wants (4mks)
   - Because human wants are insatiable
   - They are repetitive
   - They are habitual
   - They are complimentary
   - They are competitive
   - They are unlimited
   - They vary in urgency and intensity (4x1 = 4mks)

5. Name any four business activities (4mks)

- Trade – involve buying and selling goods with an aim to make profit
- Processing – changing the form from raw materials without combing them with other goods
- Manufacturing – combining different raw materials to come up with a final product
- Extraction – involves getting goods from their natural environment
- Construction – involves construction of roads, bridges etc
- Distribution – involve moving goods from where they are produced to where they are needed.
- Provision of services such as shoe shining, health services (4x1=4mks)

6. Give any four purposes of a business(4 mks)
   - To make profit
   - As a hobby
   - To create employment
   - Be own boss
   - To serve the community
   - Outlet for new innovations
   - For prestige/enhance ones image/self-actualization

   (Any other relevant point) (4x1=4mks)

7. Name the machines used in the following

a) Trimming document into required shapes and size - Guillotine
b) For complex calculations - Computer
c) For printing postage impression on envelopes - Franking machine
d) For removing pins from papers - Staple remover

8. State four factors of production and their rewards (4mks)
   - Land – rent/loyalty
   - Labour – wages/salary
   - Entrepreneurship – profit
   - Capital – interest

   (**no splitting/**Strictly award for correct factor and matching reward 1=4mks)

9. Give four features of economic resources (4mks)
   - Have money value
   - Unevenly distributed
   - Can be combined
   - Can be complimentary
   - Can change ownership
   - Have alternative uses (4x1=4mks)

10. Indicate with a tick whether the following resources are renewable or non-renewable (4mks)

rces	/able	enewable
tone		✔
s	✔	

energy	✔	
l rubber		✔

(4x1 =4mks)

11. Highlight four characteristics of basic wants (4mks)

- ❖ They are felt needs
- ❖ One cannot do without them
- ❖ Cannot be postponed
- ❖ They are satisfied before secondary wants
- ❖ They are universal
- ❖ They are essential for human survival (4x1=4mks)

12. Highlight four ways in which an open office layout can contribute to efficiency in office operations(4mks)

- ❖ Easy location of workers since all are in one room
- ❖ Workers can consult each other which promotes team work
- ❖ Ensures easy supervision since it requires few officers to oversee others
- ❖ It discourages absenteeism
- ❖ Customer service is better because continuity is maintained
- ❖ It reduces cases of corruption and dishonesty among staff because the action of each member is easily monitored. (4x1=4mks)

13. State whether the following is an internal or external environment of a business (4mks)

- ❖ Management style of business - internal
- ❖ Competition – external
- ❖ Government policy - external
- ❖ Employees – internal (4x1=4mks)

14. State four personal attributes of a good staff (4mks)

- ❖ Good physical appearance
- ❖ Good moral /positive behavior
- ❖ Good health
- ❖ Good posture
- ❖ Proper personal hygiene (4x1=4mks)

15. Hobbies is one of the sources of business ideas, highlight four other sources of business ideas (4mks)

- ❖ Mass Media- Magazines, journals and newspapers
- ❖ Trade fairs ,shows and exhibitions
- ❖ Unsatisfied needs
- ❖ Brain storming
- ❖ Personal skills and knowledge
- ❖ Recycling waste materials
- ❖ Listening to what people say
- ❖ Surveys (4x1 -4mks)

16. State four ways in which a society benefit from indirect production (4mks)
    - ❖ Better quality goods
    - ❖ Variety of goods
    - ❖ Higher production capacity to meet the demand
    - ❖ Promotes specialization
    - ❖ Facilitates exchange
    - ❖ Leads to higher standards of living

    (4x1=4mks)

17. A business opportunity exists where there are gaps in the needs of the market. State four such gaps. (4mks)
    - ❖ Poor services
    - ❖ Unaffordable prices
    - ❖ Insufficient quantities
    - ❖ Poor quality products
    - ❖ Unavailability of products (4x1=4mks)

18. State any four characteristics of a good filing system. (4mks)
    - ❖ Compactness – should not take up too much space
    - ❖ Classification – files should be well labeled
    - ❖ Suitability – it should suit the needs of the organization
    - ❖ Accessibility – the files should be easily accessed by users
    - ❖ Economical – it should not be too expensive to start and maintain
    - ❖ Simplicity – should be simple to understand and operate
    - ❖ Flexibility – should be flexible and allow expansion

    (4x1 =4mks)

19. Highlight four factors to consider when selecting an office equipment (4mks)
    - ❖ Nature of work
    - ❖ Effect on staff morale
    - ❖ Adaptability
    - ❖ Nature of machine
    - ❖ Security of the machine
    - ❖ Availability of room
    - ❖ Size of the firm
    - ❖ Durability
    - ❖ Cost
    - ❖ Availability of complimentary resources (4x1=4mks)

20. State four types of utilities and identify how each is created in production (4mks)
    - ❖ Time – created through storage
    - ❖ Place – created through bridging the geographical gap between producers and consumers through transport
    - ❖ Possession – created through transfer of ownership of goods and services from one person to Another**(Do not award possessive strictly adhere to possession)**

- ❖ Form – created through changing the form of a commodity by converting raw materials to finished

  Goods. (4x1=4mks)

21. List four features of a good entrepreneur (4mks)
    - ❖ Patience
    - ❖ Goal oriented
    - ❖ Innovative
    - ❖ Risk taker
    - ❖ Efficient
    - ❖ Desire to achieve
    - ❖ Competitive
    - ❖ Time conscious
    - ❖ Desire for feedback (4x1 =4mks)
22. Enumerate four activities carried out at the primary level of production (4mks)
    - ❖ Lumbering
    - ❖ Farming
    - ❖ Fishing
    - ❖ Mining (4x1=4mks)
23. State four differences between goods and services (4mks)

	es
- Are tangible - Can be stored - Most can be seen - Can be standardized - Not all goods are perishable - Can change ownership	- Are intangible - Cannot be stored - Cannot be seen - Cannot be standardized - Services are highly perishable - Cannot change ownership

(4x1=4mks)

24. State four causes of a business failure (4mks)
    - ❖ Poor management
    - ❖ Inadequate capital
    - ❖ Political instability
    - ❖ Lack of government support
    - ❖ Lack of market

    (Any other relevant points) (4x1=4mks)

25. Define the following terms (4mks)
    a. Specialisation: Concentrating in an activity where one is best suited

b. Utility: it is the ability of a good to satisfy a want/ usefulness of a commodity

c. Division of labour: breakdown of a production process into stages and each stage is assigned to an individual or a group of people.

d. Business: Any entity/activity whose primary aim is to make profit by providing goods/services