

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 combining 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

- Trimming document into required shapes and size - Guillotine
- For complex calculations - Computer
- For printing postage impression on envelopes - Franking machine
- 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)

Resources	Renewable	Non-renewable
Stone		✓
Gas	✓	

energy	✓	
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
<ul style="list-style-type: none"> - Are tangible - Can be stored - Most can be seen - Can be standardized - Not all goods are perishable - Can change ownership 	<ul style="list-style-type: none"> - 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