

## MARKING SCHEME

### BUSINESS FORM 1

1. Define the following terms as used in business studies. (8mks)
  - a) Good  
**These are items that are tangible, i.e. they can be touched and felt**
  - b) Services  
**These are actions that may be sold**
  - c) Economics  
**Refers to the study of how human beings strive to satisfy their endless wants using the available scarce resources.**
  - d) Accounting  
**Refers to a systematic way of recording business activities which are used for decision making**
  
2. State **four** features of a good filing system. (4mks)
  - i. **Simple**
  - ii. **Economical**
  - iii. **Adaptable**
  - iv. **Compatible**
  
3. Outline **four** sources of business ideas. (4mks)
  - i. **Waste products**
  - ii. **Surveys**
  - iii. **Hobbies**
  - iv. **Magazine articles**
  - v. **Vocational training and experience**
  - vi. **Listening to what people say**
  
4. Give any **four** business activities. (4mks)
  - i. **Extraction**
  - ii. **Manufacturing**
  - iii. **Construction**

- iv. **Trade**
- v. **Provision of services**

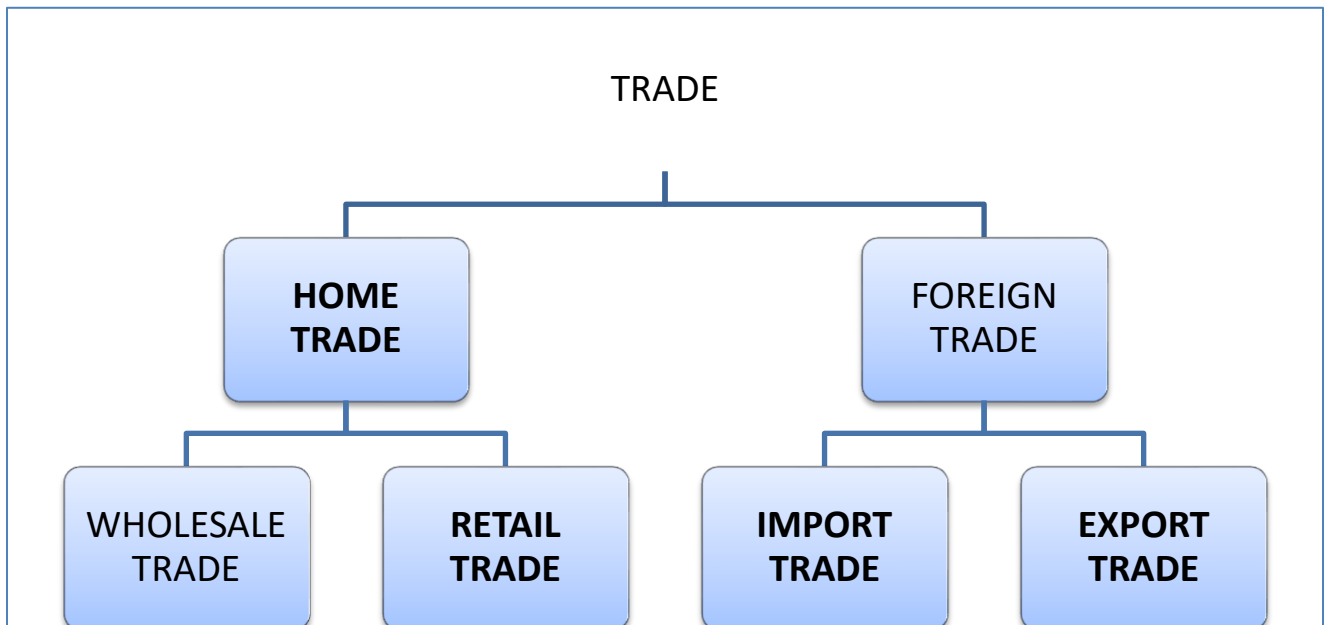
5. Highlight **four** reasons why people engage in business activities. (4mks)

- i. **To make profit**
- ii. **To utilize free spare time**
- iii. **To provide essential goods and services**
- iv. **To make good use of locally available resources**
- v. **To be one's own boss**

6. Mention **four** types of resources that are important in business. (4mks)

- i. **Human resource**
- ii. **Financial resource**
- iii. **Physical resource**
- iv. **Technology**

7. Fill in the blank spaces below (4mks)



8. State **four** features of supermarket. (4mks)

- i. **Requires large capital to start**
- ii. **Stocks a variety of goods**
- iii. **Goods have price tags**

- iv. **Prices of goods are fixed**
- v. **Offer self-service facilities**

9. Differentiate between goods and services. (5mks)

GOODS		SERVICES	
i	<b>Tangible</b>	i	<b>Intangible</b>
ii	<b>Can be stored</b>	ii	<b>Cannot be stored</b>
iii	<b>Can be standardized</b>	iii	<b>Cannot be standardized</b>
iv	<b>Most can be seen</b>	iv	<b>Cannot be seen</b>
v	<b>Not all are perishable</b>	v	<b>Are highly perishable</b>

10. Mention any **four** small scale retailers without shops. (4mks)

- i. **Itinerant traders**
- ii. **Roadside sellers**
- iii. **Open-air market traders**
- iv. **Automatic vending machines**

11. Business studies are a wide subject that covers several disciplines. Outline those **five** disciplines. (5mks)

- i. **Economics**
- ii. **Commerce**
- iii. **Accounting**
- iv. **Entrepreneurship**
- v. **Office practice**

12. Identify any **four** features of economic resources. (4mks)

- i. **Scarce in supply**
- ii. **Have monetary value**
- iii. **Unevenly distributed**
- iv. **Have utility**
- v. **Have alternative uses**

13. State any **four** factors to consider when selecting office equipment. (4mks)

- i. **Cost**

- ii. **Durability**
- iii. **Availability of room**
- iv. **Security of the equipment**
- v. **Effect on staff morale**
- vi. **Availability of manpower**

14. Give **four** advantages of an open office layout. (4mks)

- i. **Esy supervision of workers**
- ii. **Easy location of workers**
- iii. **Discourages absenteeism**
- iv. **Maintenance cost is low**
- v. **Promotes team work amongst employees**
- vi. **Floor space is saved**
- vii. **It is cheap to decorate**

15. Identify any **four** causes of a business success. (4mks)

- i. **Lack of competition**
- ii. **Adequate finances**
- iii. **Good location**
- iv. **Availability of raw material**
- v. **Ability to manage people**

16. Differentiate the following terms as used in production. (6mks)

a) Free goods and economic goods.

**Free goods are those goods that are available in abundance as gifts of nature while economic goods are those that are scarce in supply and have monetary value.**

b) Producer goods and consumer goods.

**Producer goods are those goods used to produce other goods while consumer goods are those that are at their final stage of usage by the consumer.**

c) Public goods and private goods.

**Public goods are those goods that belong to no one in particular while private goods are those that are owned by individuals.**

17. Mention **four** factors that hinder geographical mobility of labour. (4mks)

- i. **Language barrier**
- ii. **Political instability**
- iii. **Family ties**
- iv. **Age**
- v. **Poor infrastructure in a new place**
- vi. **Climatic differences**

18. State **four** functions of an entrepreneur. (4mks)

- i. **Starts the business**
- ii. **Controls the business**
- iii. **Makes decisions**
- iv. **Bears the risks and enjoys the profits**
- v. **Owns the whole project**
- vi. **Acquires and pays for all the other factors of production.**