

NAME..... Admn nO: .....

Class: .....

**FORM ONE TERM THREE**

**BUSINESS STUDIES**

2 HOURS

**INSTRUCTIONS TO CANDIDATES**

- I. Attempt all questions.
- II. All answers should be written in the space provided in this booklet.
- III. Answers must be written in English.

1. Define the following terms

- a. Distribution (1 Mks).....  
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- b. Commerce: (1 Mks).....  
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- c. Entrepreneurship: (1 Mks).....  
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- d. Production: (1 Mks).....  
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2. List four importance's of business studies in the society (5 Mks)

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3. From the statements below indicate the type of utility provided by the activities (4 Mks)

Activity	Utility
Converting sugarcane into packed sugar	
Keeping of Maize flour in a shop until the customers come to buy it	
Buying of trousers and blouse in readiness for August holidays	
Transporting Soda from the manufacturing plant to Kerugoya distributors	

4. Outline five internal business environments that affect business (5 Mks)

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5. From the following sentences, indicate the type of business activities (4 Mks)

Activity	Name
Activity involved getting goods from their natural setting	
Buying and selling of goods and services with a view of getting profit	
Building of structures (bridges etc)	
Smelting iron ore to make iron	

6. List five characteristics of labour as a factor of production (5 Mks)

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7. Indicate with a tick ( ✓ ) whether the resources listed below as either renewable or non-renewable (5 Mks).

Type of resource	renewable	non-renewable
Leather		
Soda Ash		
Natural gas		
Diatomite		
Solar Energy		

8. Outline five benefits that a business would get by using modern technology in its operations (4 Mks)

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9. Highlight five characteristics of human wants (5 Mks)

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10. Outline five differences between goods and services (5 Mks)

Goods	Services

11. Classify the following items into either basic wants or secondary wants (4Mks)

- (a) Furniture : \_\_\_\_\_
- (b) Medical care: \_\_\_\_\_
- (c) Milk \_\_\_\_\_
- d) shelter: \_\_\_\_\_

12. Name the office equipment's that function the following uses (5 Mks)

- a. To make holes in papers for filing: \_\_\_\_\_
- b. Folding documents, place them in envelopes: \_\_\_\_\_
- c. To make copies of documents: \_\_\_\_\_
- d. Adding and subtracting figures: \_\_\_\_\_
- e. Cutting unwanted documents into tiny pieces for disposal: \_\_\_\_\_

13. Outline five importances of entrepreneurship in Kenya (5Mks)

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14. List five characteristics of direct production (5 Mks)

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15. List the rewards for the following factors of production (4 Mks)

- a. Land .....
- b. Labour: .....
- c. Capital: .....
- d. Entrepreneurship: .....

16. Outline five disadvantages of using a photocopier in an office (5 Mks)



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21. Outline four characteristics of economic resources. (4 Mks)

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22. List four causes of business failure (4 Mks)

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