

Form 1

BUSINESS STUDIES

2019 TERM 2 EXAM

MARKING SCHEME

FORM ONE

BUSINESS STUDIES MARKING SCHEME

- 1 (a) **Business** refers to any activity that is carried out by an individual or an organization concerning provision of goods and services with a view of making a profit.
- (b) **Goods** are items that are tangible i.e. can be touched and felt.
- (c) **Production** refers to creation of goods and services or increasing their usefulness.
- (d) **Services** are action or activities that can be sold.
- (e) **Business** studies is the study of the activities that are carried out in and around production distribution of goods and services.

2. Types of business activities.

- a) Extraction activities.
- b) Processing of raw materials.
- c) Manufacturing activities.
- d) Constriction activities.
- e) Distribution of goods.
- f) Trading activities.
- g) Provision of services.

3. Characteristics of human wants.

- a) They are insatiable/endless unlimited.
- b) They vary in intensity and urgency.
- c) They are competitive.
- d) They are recurrent
- e) Some are recurrent.
- f) Some are habitual.
- g) They require resources to be satisfied
- h) They are complimentary

4. Types of utilities.

- a) Form utility.
- b) Time utility.
- c) Place utility.
- d) Possession utility.

5. Component of business studies.

- a) Economics
- b) Commerce.
- c) Accounting.
- d) Office Practice.
- e) Entrepreneurship.

6. Reason for starting a business studies.

- a) To make a profit.
- b) To provide essential goods and services.
- c) To create employment.
- d) To create a market for locally available raw material.
- e) To create a healthy environment by making use of waste material.
- f) To produce and sell new products from new investment.
- g) To be your own boss.
- h) To utilize extra time to earn extra money.
- i) To utilize extra resources that would be idle.

7. Characteristics of basic wants.

- a) They are felt needs.
- b) They cannot be postponed.
- c) They are essential for human survival.
- d) They are satisfied before secondary wants.
- e) They are universal.

8. Characteristic of direct production.

- a) There is no exchange of goods and services/not for sale.
- b) The amount/quantity of goods produced is small.
- c) The methods of production used are simple.
- d) The goods produced are for own consumption.
- e) There is less specialization.
- f) The quality of goods produced is low.
- g) Production is carried out in small scale.

9. Benefit of business studies to an individual.

- a) Learner gain knowledge and skills on how to start and manage a successful business.
- b) Learners are able to understand the relationship between various business activities.
- c) The knowledge acquired can be applied in other fields of study eg geography, arts, home science.
- d) enables one to understand how a business is influenced by the environment within which it operate.
- e) Give the learner the basic knowledge required for further education in business related courses.
- f) Equips the learner with the necessary skills and attitudes to understand the changing global trends in business.
- g) Enables one to appreciate the role of business in the society.
- h) Enables one to understand the role of government in relation to business activities.
- i) The learners appreciate the role of market forces in determining the price of goods.

10. Elements of internal business environment.

- a) Workers/employees/human resource.

- b) Facilities/business resources.
- c) Finances
- d) Business structure
- e) Technology
- f) Management style of the business
- g) Organization of a business/business structure.
- h) Research and development
- i) Owners.

11. **Characteristics of goods:**

- a) Goods are tangible/can be touched and felt.
- b) Can be stored/Not all goods are perishable.
- c) Quality can be standardized.
- d) Can change in quality over time.
- e) Have money value.
- f) Goods are produced and consumed at different times.

12. **Activities under the primary level of production.**

- a) Mining
- b) Farming
- c) Lumbering
- d) Fishing
- e) Quarrying.

13. **External business Environment factors.**

- a) Economic environment.
- b) Demographic environment.
- c) Legal-political environment.
- d) Technological environment.
- e) Social-cultural environment.
- f) Competitive environment.
- g) Physical/ Natural Environment.

14. **Characteristic of economic resources:**

- a) They are scarce.
- b) They have money value.
- c) They can be combined in various proportions.
- d) They are capable of being put into alternative uses.
- e) They are unevenly distributed.
- f) Some are complimentary.
- g) They have utility.
- h) They are transferable through trade.

15. **Factors of production.**

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

16. **Types of a business resources.**

- a) Human resources.
- b) Financial resources
- c) Physical resources
- d) Technology.

17. **Characteristics of services.**

- a) Are intangible
- b) Cannot be stored/highly perishable.
- c) Cannot be separated from the provider
- d) Have money value i.e. can be exchanged for money.
- e) Production and consumption of services takes place at the same time.
- f) Cannot be divided into smaller units like goods.
- g) Quality cannot be standardized.
- h) Cannot be seen.

18. **Characteristic of land as a factor of production.**

- a) It's a basic factor of production.

- b) Its supply is fixed/cannot be expanded.
- c) Lacks geographical mobility.
- d) Its productivity can be enhanced/increased by irrigation or use of fertilizers.
- e) Quality is not homogenous.
- f) Has occupational mobility/usage is flexible depending on the need.
- g) It's a natural recourse
- h) Its productivity increases with uses/subject to the law of diminishing return.

19. **Ways through which a healthy business environment can be maintained.**

- a) Controlling/reducing pollution.
- b) Using environment friendly chemicals.
- c) Using recyclable packaging e.g. heavy plastic.
- d) Not passing false information to consumers e.g. on nutritional value of an ingredient.
- e) Selling safe and fit products to customers.
- f) Utilizing and managing local resources well to avoid depletion.
- g) Provision of essential services by the government e.g. water, roads, electricity, etc.

20. **Renewable resources** are those resources whose supply can be restored e.g. wood, fuel, H.E.P, solar energy etc while non-renewable resources are those resources whose supply cannot be restored after use e.g. coal, building stone etc.

21 (a) Primary level.

(b) Secondary level.

(c) Tertiary level.

(d) Primary level.

22 (a) **Producer goods** are goods produce to be used to produce other goods while **consumer goods** are goods that are readily usable by the final.

(b) **Perishable goods** are goods that go bad very easily unless stored under special facilities while **durable goods** are goods that continue giving service for a long time.

23. **Function of an entrepreneur.**

- a) They start the business
- b) Controls the business
- c) Makes decisions
- d) Acquires and pays for all the other factors of production.

- e) Bears the risks.
- f) Enjoy profit.
- g) Pays for expenses e.g. electricity, water.
- h) Owns the whole project.

24. **Specialisation** refers to where one concentrates in the production of what he/she can produce best leaving other people to produce other commodities.