

Marking Scheme  
SUNSHINE SECONDARY SCHOOL

Mrs Otieno → 17-25  
Mr Malava → 9-16  
Ms Viola → 1-8

FORM 1

BUSINESS STUDIES

END TERM EXAM – JULY 2019

3 copies

TIME: 2HRS

NAME:.....CLASS:.....ADMIN NO:.....

TEACHERS NAME:.....

**INSTRUCTIONS TO CANDIDATES**

- a) Write your name and admin. No in the spaces provided above.
- b) Sign and write the date of examination in the spaces provided above.
- c) Answer ALL the Questions.
- d) All answers should be written in the spaces provided in this booklet.
- e) This paper consists of 6 printed pages.
- f) Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.
- g) Candidates should answer all the questions in English.

**FOR EXAMINER'S USE ONLY**

QUESTION	1	2	3	4	5	6	7	8	9	10	11	12	13
Candidate's Score													

QUESTION	14	15	16	17	18	19	20	21	22	23	24	25
Candidate's score												

**Total**

100%

100%

8  
25/3

100%  
25/4

1. Highlight characteristics of itinerant traders . (4mks)
- i) They are very persuasive ✓ Move from one place to another
  - ii) Mainly found in densely populated areas.
  - iii) Their prices are not controlled
  - iv) Mainly deal with small volume of goods  
sell fast-moving goods.
2. State four factors of external business environment. (4mks)
- i) Economic factors
  - Legal-political
  - ii) Demographic factors
  - Competitive
  - iii) Technological factors
  - Physical environment.
  - iv) Socio-cultural factors
3. Classify each of the following as either generic or enterprise competition. (4mks)
- a) A coffee seller competition with tea seller.  
Generic competition
  - b) Kenya literature Bureau competing with Longhorn Publishers in bookselling  
Enterprise competition.
  - c) Boys of Sunshine School competing with girls from Kenya High School in academic excellence.  
Enterprise competition
  - d) A television station competing with a radio station in entertaining customers.  
Generic competition
4. State four forms of utility. (4mks)
- i) Place
  - ii) Time
  - iii) Possession
  - iv) Form
5. List four sources of business ideas. (4mks)
- i) Waste products ✓ Hobbies
  - ii) Surveys ✓ Magazine articles

- iii) Newspapers ✓ Listening to what people say
- iv) Shows and exhibitions ✓ Spotting a Market gap.

6. Explain four reasons why Business studies is important in a country. (4mks)

- i) Desires to achieve ✓ Persistence and Patience  
Ability to solve problems ✓ Seek information
- ii) Readiness to take risks ✓ Commitment to work,  
Initiative ✓ Desires for feedback.
- iii) Time Consciousness ✓ Concern for Customer satisfaction
- iv) Creativity and innovation  
Independence  
Self confident

7. Highlight four characteristics of a good entrepreneur (4mks)

- i) Helps the learner gain knowledge and skills on how start and Manage a successful business.
- ii) Helps the learner to understand and appreciate the importance of business activities in a country.
- iii) Equips the learner with necessary skills to understand the changing global trend in business.
- iv) Form a basis of pursuing careers in business related subjects.  
Enables the learner in understanding the role of govt in relation to business activities.

8. State the functions of the following office equipment (4mks)

- a) Paper punch  
Make holes in papers to facilitate filing.
- b) Gullotine  
For trimming documents into required shapes and sizes.
- c) Frankline machines  
For printing postage impressions on envelopes.
- d) Paper shredder  
Cutting unsorted documents into tiny pieces to avoid getting into wrong hands.

9. Highlight the characteristics of good filing. (4mks)

- i) Simplicity ✓ Suitability
- ii) Compactness ✓ Elasticity

- iii) Safety ✓ Economical  
iv) Accessibility

10. List the types of office layout. (3mks)

- i) Open office layout  
ii) Enclosed office layout  
iii) Landscape office layout  
iv)

11. State four personal attributes of an office staff. (4mks)

- i) Physical appearance ✓ Good health.  
ii) Hygiene  
iii) Posture  
iv) Moral behaviour

12. List four disadvantages of mining as an economic activity (4mks)

- i) Endangers the life of the people working in Mining areas.

Application

- ii) Soil erosion

- iii) The face of the landscape is destroyed.

- iv) The hole left after Mining can be breeding place for the Mosquitoes.

13. Highlight four functions of an office. (4mks)

- i) Safeguarding and controlling of Organization's property  
ii) Communication ✓ Mailing  
iii) Receiving and recording information  
iv) Reproducing documents  
Distribution of information.

14. State any four negative ethical practices that an entrepreneur may be involved in. (4mks)

- i) Unfair business practices with competitors  
ii) Corruption in business dealings.  
iii) provision of low quality goods and services.  
iv) Discrimination of employees  
✓ Unfair pricing of goods and services.

15. What are some of the advantages of a computer? (4mks)

- i) Speeds up operations ✓ Can store a large volume of information
- ii) Its output is presentable ✓ facilitates communication
- iii) Economises on space and Material
- iv) It is accurate

16. Highlight the importance of trade to a society. (4mks)

- i) Provides revenue to the government through taxes.
- ii) Avails a variety of goods and services to the community.
- iii) Helps produce to dispose off their surplus produce
- iv) Create employment opportunities ✓ Promotes peace & harmony among parties
- Encourages specialization & division of labour

17. Outline four differences between goods and services. (4mks)

goods	services
i) Are tangible	Are intangible
ii) Can be stored	Cannot be stored
iii) Can be standardized	Cannot be standardized
iv) Can be seen	Cannot be seen
v) Can change possession	Cannot be separated from the provider
✓ Can change in value over time	✓ Cannot change in value over time

18. Establish the relationship between scarcity, choice and opportunity cost. (4mks)

The resources required to satisfy human wants are scarce while the human wants are unlimited. Therefore, one has to choose the most urgent want first and end with the least. He has to arrange the wants to be satisfied in order of priority while foregoing others thus opportunity cost has to be put in use.

19. List four characteristics of human wants. (4mks)

- i) One cannot do without them ✓ Are insatiable
- ii) They are felt needs ✓ They vary in intensity and urgency
- iii) Cannot be postponed ✓ Are competitive ✓ Some are universal.
- iv) Are ✓ Are habitual ✓ Are complimentary ✓ Are recurrent.

20. For each of the following give two examples in each case (4mks)

- a) Free goods ... Sunshine & Air
- b) Producer goods ... Tractor, Lorry, hoe
- c) Consumer goods ... Food, Medicine, Clothing

- d) Durable goods Furniture, books, house
21. List four factors to consider when evaluating a business opportunity. (4mks)
- Availability of Market
  - The profitability of the business
  - Amount of capital required to start
  - Level of competition
22. Define the following terms as used in business (5mks)
- Consumer  
Is the user of the final goods and services.
  - Economic resource  
Are the inputs that are required in order to produce goods and services.
  - A chain store  
A large-scale business with separate branches which are managed and organized centrally.
  - Division of labour  
Is where a production process is broken down into stages and each stage an individual is assigned.
  - Economics  
The study of how human beings strive to satisfy their endless wants using the available scarce resources.
23. Highlight the factors of production and their rewards. (4mks)
- Land - Rent / Rates / Royalties
  - Labour - Wages / salaries / commission / fees.
  - Capital - Interest
  - Entrepreneurship - Profit
24. Highlight factors to consider when selecting office equipment. (4mks)
- Cost of buying & Maintaining the Machine ✓ Adaptability
  - Durability of the Machine ✓ Security of the equipment.
  - Space / Room of the Machine ✓ Availability of manpower.
  - Possibility of hiring rather than buying
25. Causes of business success. (4mks)
- Lack of competition / Fair competition ✓ Availability of good infrastructure
  - Commitment to the business
  - Availability of raw Material
  - Good Time Management