**MWAKICAN JOINT EXAMINATION TERM 3 2019**

**FORM 1 BUSINESS STUDIES (MARKING SCHEME)**

1. List four types of large scale retailers (4mks)
2. Supermarkets
3. Departmental stores
4. Chain store/multiple shops
5. Hyper market
6. Mail order businesses (1 x 4 = 4mks)
7. Enumerate four factor you will advise Mr. Lumuli to consider when buying office machines for his company (4mks)
8. The effect of the machine on the workers morale
9. The cost of buying/acquiring the machine or equipment
10. Available space or room to keep the machines or equipment
11. The likelihood of the machines being outdated or obsolete
12. The adaptability of the machines to future changes
13. Presence of office staff with the skills required to operate the machine
14. Availability of complementary resources
15. Cost of maintenance of the machine
16. Possibility of hiring rather than buying

(1x 4 = 4mks)

1. State four contents of a business plan (4mks)
2. The name of the business or enterprise
3. The goods to be produced and sold
4. The staff required
5. Financial requirement of the project
6. The equipment, building and other tools required
7. The nature of the market to be served
8. Profitability / profit projection of the venture
9. Outline four challenges associated with the satisfaction of human wants. (4mks)
10. Problem of making choices
11. Problem of scarce resources
12. Problem of competing wants
13. Problem of recurring wants
14. Problem of satisfying complimentary wants

**And any other applicable challenge**

1. Below are some factors that influence the operation of a business. Indicate with a tick(√) in the appropriate column the business environment associated with each of the factors (4mks)

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Internal | External |
| a) | Customer taste and preference |  | √ |
| b) | Price levels |  | √ |
| c) | Personnel and knowledge and skills | √ |  |
| d) | County government regulations |  | √ |

(1x4=4mks)

1. Outline four ways in which utility of a good is created in production (4mks)
2. Through making/manufacturing
3. Through transporting/distribution
4. Through storage
5. Through exchange/trade (1 x 4 = 4mks)
6. Outline four components of Business studies (4mks)
7. Commerce
8. Office practice/management
9. Accounting
10. Economics
11. Entrepreneurship (1 x 4 = 4mks)
12. Identify the level of production explained in each of the following statement. (4mks)
13. Growing vegetables for agriculture project - primary
14. Cooking food for students in the kitchen - secondary
15. Transporting foods to a wedding reception – tertiary
16. A fisherman fishing in the lake - primary ( 1 x 4 = 4mks)
17. State four characteristics of goods (4mks)
18. They are tangible/visible/can be seen/ can be touched
19. They can be separated from the producer
20. They can be standardized or made uniform
21. They can be stored
22. Some are perishable other are not
23. Change ownership/possession/we pay for possession
24. Goods are scarce i.e. limited in supply (1 x 4 = 4mks)
25. List four importance of learning Business studies (4mks)
26. Enable one to understand the general business environment
27. develops one’s ability to identify business opportunities for self-reliance
28. Forms a basis for pursuing careers in business related subjects
29. It enhances critical thinking and in depth understanding of business related issues
30. Help an individual to understand and appreciate the role of government in business
31. Helps one to develop positive attitude towards work
32. It enhances good interpersonal relation through interaction
33. It equips one with basic education concepts (1 x 4 = 4mks)
34. State four natural sources of energy in Kenya. (4mks)
35. Solar
36. Firewood
37. Geothermal
38. Biogas
39. Hydro-electric power
40. Coal
41. Wind power (1 x 4 = 4mks)
42. State four circumstances under which a proforma invoice may be used (4mks)
43. Where the seller want the goods to be paid for before delivery
44. Where the seller does not want to give credit to the buyer
45. Where goods are issued to an agent
46. Where goods are imported to get custom clearance
47. Where goods are sent to the buyer to show what one would have to pay.
48. As a reply to a specific letter of inquiry
49. Outline four reasons why food is considered as a basic want. (4mks)
50. Enable us to stay alive/one cannot live without
51. Satisfaction of hunger cannot be postponed
52. Hunger is a felt need
53. Hunger must be satisfied first before other wants are fulfilled (we satisfy hunger with food before other secondary wants are fulfilled).
54. State four reasons why people engage in Business activities (4mks)
55. Creation of employment for self and others
56. Provision of goods/services to others
57. For profit generation/maximization
58. For prestige/enhance own image in society
59. To acquire what they lack
60. As an outlet for new innovation
61. As a hobby
62. To utilize spare time
63. To be own boss (1 x 4 = 4mks)
64. State four benefits that consumers get from small scale retailers (4mks)
65. Free advice on product use/comparison/availability
66. Stable price
67. Steady supply of goods
68. Offer credit facilities
69. Breaking bulk
70. Offer personal attention (1 x 4 = 4mks)
71. State four advantages of a landscape office layout (4mks)
72. Promotes team work among employees
73. Promotes sharing of office equipment
74. Supervision of workers is easy
75. Easy location of workers
76. Discourage absenteeism
77. Decoration creates an attractive and conducive environment (1 x 4 = 4mks)
78. State four demographic factors that affect the operation of the business (4mks)
79. Size of population
80. Geographical distribution
81. Age
82. Gender
83. Birth rate/death age
84. Population density ( 1 x 4 = 4mks)
85. Give four factors that limit entrepreneurial development in Kenya. (4mks)
86. Inadequate capital
87. Lack of appropriate skills
88. Unhealthy competition
89. Inadequate market for goods
90. Unfavourable economic status
91. Unfavourable government policy such as high tax
92. Poor infrastructure ( 1 x 4 = 4mks)
93. State four factors of production (4mks)
94. Land
95. Labour
96. Capital
97. Entrepreneurship ( 1 x 4 = 4mks)
98. State four functions of an entrepreneur (4mks)
99. Controls the business
100. Starts the business
101. Makes decisions/policy maker
102. Own the whole project
103. Acquires and pays for all the factors of production
104. Bears the risks and enjoys profit ( 1 x 4 = 4mks)
105. Outline four means of paymen-
     1. Cash
     2. Cheque
     3. Bankers draft
     4. Money order
     5. Postal order
     6. Postage stamps
     7. Bill of exchange
     8. Promissory note
     9. Premium bonds 4mks)
106. Outline four guidelines that may help an entrepreneur in identifying a viable business opportunity (4mks)
107. Target group/market
108. Resources available
109. Availability of other auxiliary services
110. Government policies
111. Personal objectives of the business
112. Current business environment
113. Personal commitment/interest
114. Personal skills and knowledge
115. Profitability of the venture
116. Level of technology/technology available (1 x 4 = 4mks)
117. State the best type of machine one would use to perform the following tasks (4mks)

|  |  |  |
| --- | --- | --- |
|  | Function | Type of machine |
|  | To create postage impression on envelopes | Franking machine |
|  | To destroy sensitive but unwanted documents | Paper shredder |
|  | To store large volumes of data | Computer |
|  | To trim paper to the required size | Guillotine machine |

(1 x 4 = 4mks)

1. In the space provided below state the business documents to which the following statements relates (4mks)

|  |  |  |
| --- | --- | --- |
|  | Statements | Document |
|  | Informs the buyer when goods were dispatched and by what means | Advice note |
|  | A request by sellers for payment in advance | Proforma invoice |
|  | Used to correct an undercharged in an invoice | Debit note |
|  | Shows details of the transaction between a seller and a buyer | Statement of account |

(1 x 4 = 4mks)

1. State four characteristics of human wants (4mks)
2. Recurrent
3. Unlimited
4. Competitive
5. Complimentary
6. Insatiable
7. Vary in urgency (1 x 4 = 4mks)