NAME………………………………………ADM…………………………….CLAS……….....

**565/1**

**BUSINESS STUDIES**

**FORM ONE**

**END OF TERM 2 2015**

**MWAKICAN BUSINESS STUDIES**

2 HOURS

**INSTRUCTIONS**

1. Answer all the questions.
2. All answers must be written in the spaces provided.
3. Answers should be written in english.
4. Outline **four** purposes of a Business.(4mks)
5. State **four** types of business activities.(4mks)
6. List **four** disciplines of Business Studies.(4mks)
7. Outline **four** benefits that Abdi, a student would get from studying Business.(4mks)
8. Below are some of the factors that influence the operations of a business. Indicate with a tick ( ) in the appropriate column, the business environment associated with each of the factors.(4mks)

|  |  |  |  |
| --- | --- | --- | --- |
| S.no | Factors | Internal | External |
|  | Competition |  |  |
|  | Finance |  |  |
|  | Suppliers |  |  |
|  | N.E.M.A |  |  |
|  | Goals and objectives of the firm. |  |  |
|  | Currency exchange rates. |  |  |
|  | Human resources management |  |  |
|  | Firms organizational structure. |  |  |

1. Outline **four** favourable internal factors for business to thrive.(4mks)
2. Give and explain **two** classifications of human wants.(4mks)
3. Outline **four** characteristics of human wants.(4mks)
4. Give **four** reasons why Omondi satisfy hunger for food before going to Chaka Ranch for entertainment.(4mks)
5. Highlight **four** differences between goods and services (4mks)

|  |  |  |
| --- | --- | --- |
|  | Goods | Services |
| (i) |  |  |
| (ii) |  |  |
| (iii) |  |  |
| (iv) |  |  |
| (v) |  |  |

1. Name **three** classifications of Economic Resources (3mks)
2. Outline **five** characteristics of economic resources.(5mks)
3. Indicate whether the following resources are **renewable or non-renewable** (4mks)

**Resources Classification**

1. Limestone ……………………………………….
2. Natural rubber ………………………………………..
3. Solar energy ………………………………………..
4. Rivers …………………………………………
5. Wool …………………………………………
6. Cars ………………………………………….
7. Skin/hide …………………………………………
8. Quarry …………………………………………
9. State the **type of utility** created by each of the following activities (4mks)

**ACTIVITY UTILITY**

1. Baking ………………………..
2. Banking ……………………….
3. Bookselling ………………………
4. Carpentry ……………………….
5. Manufacturing ………………………
6. Retailing ……………………..
7. Transportation …………………….
8. Tanning leather ……………………..
9. Outline **four** disadvantages of Direct Production.(4mks)
10. Classify each of the following activities in its appropriate **level of production.(4mks)**

Activity level of production

1. Lumbering …………………………….
2. Brick making ……………………………
3. Nursing ……………………………
4. Road construction …………………………….
5. Legal services …………………………….
6. Quarrying ……………………………..
7. Entertainment ……………………………..
8. Chemical making ……………………………..
9. State **four** features of land as a factor of production.(4mks)
10. Outline **four** demerits of division of labour. (4mks)
11. Using appropriate examples, explain the following **types of goods** (4mks)
12. Producer goods
13. Intermediate goods
14. Economic goods
15. Public goods
16. Highlight **four** importances of Entrepreneurship in an Economy.(4mks)
17. List **four** characteristics of an entrepreneur.(4mks)
18. Outline **four** sources of business ideas. (4mks)
19. Highlight **four** factors to consider when evaluating a business opportunity (4mks)
20. List **four** importances of a Business plan.(4mks)
21. Outline **four** functions of an office.(4mks)

MWAKICAN JOINT EXAMINATION

BUSINESS STUDIES

FORM 1

END OF TERM 2 2015

MARKING SCHEME-CONFIDENTIAL

1. **Purposes of a Business**.

-To make profits

-Utilise spare time

-Be own boss

-Create employment

-Create government revenue

-Provide essential goods/services to a special group of people Any 4x1 =4mks

1. **Types of business activities.**

-Extraction

-Processing of raw materials

-Manufacturing

-Construction

-Trade

-Provision of services

-Distribution of goods Any 4x1 =4mks

1. **Disciplines of Business Studies.**

–Accounting

-Commerce

-Economics

-Entreprenuership

-Office practice Any 4x1 =4mks

1. **Benefits of studying Business studies.**

–Acquire knowledge and skills to start a business

-Appreciate the role of business in the society

-Develop skills for wise buying and selling

-Develop critical thinking and rational judgement

-Appreciate the need for ethical practices in business

-Get a firm foundation for further training Any 4x1 =4mks

1. **Business environment.**

–External

ii)Internal

iii)External

iv)External

v)Internal

vi)External

vii)Internal

viii)Internal

Any 8x1/2= 4mks

1. **Favourable internal factors for business to thrive.**

–Availability of raw matearials/inputs

-Adequate capital/finance

-Skilled workers

-Well outlined organizational structure

-Clearly stated goals and objectives

-up to date methods of production Any 4x1 =4mks

1. I)**Basic wants** –things that man must have to survive/stay alive

ii) **Secondary wants** – Things that man needs to lead a comfortable live.

1. **Classification of human wants.**

–Unlimited

-Competitive

-Recurrent

-Some are universal

-Some are complementary

-They vary in urgency and intensity

-Some are habitual Any 4x1=4mks

1. **Why Omondi will satisfy hungler for food before going to Chaka Ranch for entertainment.**

–Basic wants are essential for survival

-Resources are limited

-Basic wants cannot be postponed

-Basic wants are recurrent Any 4x1 =4mks

1. **Differences between goods and services.**

**GOODS**  **SERVICES**

-Can be stored -Can not be stored

-Can be separated from the producer -cannot be separated from the producer

-Quality can be standardized -Quality cannot be standardized

-Are tangible/visible -Are intangible /invisible

-Goods are not always perishable -Services are highly perishable

NB: **Differences must match** Any 4x1 =4mks

1. **Classifications of Economic Resources.**

.-Natural

-Manmade

-Human 1x3mks

1. **Characteristics of economic resources.**

–They are limited in supply

-Have money value

-Quality can be improved

-Can be combined to produce goods and services

-Have utility

-Some can be transferred from one person to another Any 4x1=4mks

-Most of them have varied uses.

1. **Renewable and non-renewable resources.**

(i) Non-renewable

(ii) Renewable

(iii) Renewable

(iv) Renewable

(v) Renewable

(vi) Renewable

(vii) Renewable

(viii) Non-Renewable ½x 8=4mks

1. **Types of utility.**

(i) Form

(Ii) Time

(Iii) Possession

(Iv)Form

(V) Form

(Vi) Possession

(Vii) Place

(Viii) Form

½x 8 =4mks

1. **Disadvantages of direct production.**

–Doesn’t Allow Specialization.

-Promotes Individualism.

-Does Not Encourage Invention And Innovation.

-Limited Choice for Consumers

-No Surplus for the Market.

-Low Quality Goods. Any 4 x 1 =4mks

1. **Levels of production.**

(i) Primary

(ii) Secondary

(iii) Tertiary

(iv) Secondary

(v) Tertiary

(vi) Primary

(vii)Tertiary

(viii) Secondary ½x 8 =4mks.

1. **Features of land as factor of production.**

-Geographically immobile

-Supply cannot be increased

-Basic factor of production

-Productivity differs from one place to another.

-Productivity can be improved.

-Has more than one use.

-Reward is rent/rates/royalty. Any 4 x 1=4mks.

1. **Demerits of Division of labour.**

-Work becomes monotonous and boring.

-Converts man into machine –like creatures.

-Creates unemployment.

-Lacks pride provide in the final product.

-Social problems.

-Absenteeism of one worker leads to stoppage of work.

Any 4 x 1=4mks

1. **Types of goods.**

-Producer goods-Goods used in the production of other goods. E.g machinery, tools.

-Intermediate-unfinished goods used in the production other goods. E.g cement.

-Economic goods –Goods whose supply is scarce and have money value e.g wild animals.

-Public goods –Goods owned by the government on behalf of its citizens e.g public hospitals.

Definition ½mk Example ½mk x 8 =4mks

1. **Importances of Entrepreneurship.**

-Create employment

-Formation of capital

-Utilization of resources

-Raising the standard of living

-Improved infrastructure

-Transfer of technology. Any 4 x 1=4mks.

1. **Characteristics of an entrepreneur.**

-Risk taker

-Hand working

-Innovative

-Desire to achieve

-Goal –oriented

-Time conscious

Any 4 x 1=4mks.

1. **Sources of business ideas.**

-Listen to what people say

-Surveys

-Hobbies

-Identifying a business gap

-Newspapers and magazines

-Tvs and radios

-Shows and exhibitions etc Any 4 x 1 =4mks.

1. **Factors to consider when evaluating a business opportunity.**

-Availability of market

-Financial requirement

-Legal/government policy

-Competition in the market

-Availability of raw materials

-Personal abilities of the entrepreneur

-Technological requirement Any 4 x 1=4mks

1. **Importance of a Business plan.**

-Avoiding mistakes

-Assist to obtain finance

-Motivating factors to employees

-Proper allocation of resources

-Identification of strengths and weaknesses

-Adaptation to future changes. Any 4 x 1=4mks.

1. **Functions of an office.**

-Administration

-Communication

-Storage of information

-Reproduction of documents

-Mailings

-Safeguarding the firms property.

Any 4 x 1=4mks.