GATITU MIXED SECONDARY SCHOOL

END OF TERM ONE EXAM CAT 1

FORM 1 2015

BUSINESS STUDIES

**INSTRUCTIONS:**

* ***Answer all the questions in the spaces provided.***
* ***Remember to write your name and admission number.***

1. Define business studies. (2 marks)
2. Define the following terms; (4 marks)
3. Accounting
4. Commerce
5. Office practice
6. Economics
7. Give four reasons why people starts business (4 marks)
8. Explain the importance of business studies to the learner (5 marks)
9. Highlight four internal and external business environments (4 marks)

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| INTERNAL BUSINES ENVIRONMENT | EXTERNAL BUSINES ENVIRONMENT |
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1. Highlight four reasons why it is difficult to satisfy human wants. (4 marks)
2. Give four differences between goods and services (4 marks)

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| GOODS | SERVICES |
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1. Highlight five characteristics of economic resources (5 marks)
2. Differentiate between scarcity, choice and opportunity cost (3 marks)
3. Name the type of utility created in the following situations (4 marks)

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| Buying tomatoes at the market |  |
| Transporting goods from one place to another |  |
| Keeping wine for future selling at a high price |  |
| Converting maize to maize flour. |  |

1. Outline five characteristics of direct production (5 marks)

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| ACTIVITY | LEVEL OF PRODUCTION |
| 1. Banking |  |
| 1. Fishing |  |
| 1. Teaching |  |
| 1. Baking bread |  |

1. Classify each of the following activities into its appropriate level of production. (4 marks)
2. State the reward to each of the following factors of production (4 marks)

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| **FACTORS** | **REWARD** |
| a)Machinery |  |
| b )Manager |  |
| c) Raw materials |  |
| d) The owner of the business |  |

1. Give four functions of an entrepreneur (4 marks)
2. Give five circumstances under which geographical mobility of labour may apply. (5 marks)
3. Define the following terms; (4 marks)
4. Capital goods
5. consumer goods
6. Durable goods
7. Perishable goods
8. Outline five characteristics of land as a factor of production (5 marks)