GATITU GIRLS SECONDARY SCHOOL

 BUSINESS STUDIES MID-TERM ONE EXAM 2017 FM3

NAME---------------------------------------------------------------ADM---------------------CLASS-------

1. Highlight four circumstances that may make a trader to use a cheque as means of payment (4 marks)

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2.List four reasons why Alice, who is joining form one next year should take business

 as one of her subject. (4 marks)

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3.Outline **four** reasons why small scale exist in the market (4 marks)

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4.State four unethical practices that are common in Kenyan advertisements. (4 marks)

 (a)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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5.Highlight four sources of monopoly power. (4 marks)

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6.with a diagram describe excess demand and excess supply. (4 marks)

7. List four reasons why Anyongo, a trader may choose cash as means of payment 4 mks)

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8. State four factors to consider when locating a firm (4 marks)

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9. State four unethical practices that are common in Kenyan advertisements. (4 marks)

 (a)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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10 State four advantage of localization of firms . (4 marks)

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11. State features of economic resources . (4 marks)

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12. State four unethical practices that are common in Kenyan advertisements. (4 marks)

 (a)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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14. Highlight any four benefits that mobile phone as a means of communication.(4)

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15. Outline four benefits that a country gains from home trade 4mks (i)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 (iv)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

15. Classify each of the following items into basic or secondary wants 4mks

 a)Drinking water …………………………………………………..

 b) Shoes …………………………………………………………

 c) Education ………………………….………………………

 d) Air ………………………………………………………………

16.Classify each of the following economic resources as human, natural or man-made 4mk

|  |  |
| --- | --- |
| RESOURCES | CLASSIFACTION |
| Architets |  |
| Clamite |  |
| Tools |  |
| Building stones |  |

*MARKING SCHEME FM5 BUSINESS STUDIES END TERM 1 2015*

 4 x1=4 marks

1 Circumstances under which intermediaries are needed.

 - Where there is inadequate funds for distribution.

 - Where the market is wide.

 - Where the goods not technical.

 -When the purchases is not by order.

 - When goods are not tailored to the consumer needs.

 - When sale is not by tender.

 - Where risks have to be spread.

 - Where the consumer are wide spread.

*2. A*ppropriate communication terms.

 -Vertical communication.

 - Internal communication.

 - Horizontal communication.

 - Vertical / downward communication.

 **4 x1=4 marks**

**3**. Unethical practices in advertising.

 (i) False advertisements.

 (ii) Highlighting positive aspects of product and leaving the negative side.

 (iii) Use of prices to be won which may not exist.

 (iv) With holding real advertised products and releasing counterfeit to the market.

 (v) Depicting a competitor’s product as inferior.

 4 x1=4 marks

4. How to increase efficiency of parastatals.

 (i) Eliminate corrupt practices.

 (ii) Employing qualified staff.

 (iii) Enforcing the law to punish errant staff.

 (iv) Reduce influence from government senior officials.

 (v) Motivating staff through better housing salaries and health facilities.

5 Benefits of mobile phone money transfer services.

 - Affordable / low charges

 - Easy to use.

 - Its fast

 - Its secure since it has a pin number

 -it’s confidential

 - provides immediate feedback.

 - Accessible in most parts of the country.

 4 x1=4 marks

6. Factors that influence entrepreneurship.

 (i) Infrastructure. 1. Outline four benefits that a business gains from the external environment

 - Raw materials

 - Labour (workers) from the community

 - Gets security from the surrounding e.g. police

 - Obtains land from the community

 - Natural environment like good weather favour the business

7 - Enacting legislation aimed at promoting and supporting business investments and activities

 - Offering incentives to attract investments

 - Providing credit and financial support to entrepreneurs

 - Providing security

 - Ensuring political stability

 - Providing good infrastructure

8 Highlight four features of economic resources

 - They are scare in supply

 - They have money value

 - They are unevenly distributed

 - They can change ownership

 - They have alternative uses

 - They have utility

9. List down four factors that hinder labour mobility

 - Political instability

 - Poor remuneration

 - Unfavourable climatic conditions

 - Poor working conditions

 - Job insecurity

 - Poor infrastructure

10 (ii) Presence of credit facilities.

 (iii) Available information about markets.

 (iv) Government policy on business ownership.

 (v) Level of taxation

 (vi) Legal controls.

 (vii) Political stability.

 (viii) Security available

 (ix) Level of technology.

 (x) Bureau Cray/ administrative bottle check

 (xi) Culture of the people.

 Any 4 @1 mark = 4 marks

11. State four methods that a government may use to influence location of business

 - Tax reductions for investing in the selected areas

 - Providing subsidies to those who invest in the selected areas

 - Provision of infrastructure in the selected areas

 - Offering loan guarantee to investments in the selected areas

 - Provide subsidized land to investors in selected areas

12. State four factors which may favour existence of a monopoly

 - Control of an important factor of production

 - Ownership of production rights by one firm

 - The size of the firm may be such that it is best served by one firm

 - When group of firms combines to act as one/amalgamation

 - Where the initial cost is too high making it difficulty for other firms to enter the industry

13. Highlight four disadvantages to written communication

 - Immidiate feedback may not be possible

 - Lacks personal appeal

 - Does not give room for persuasion and convincing

 - Suitable for those who can read and write

14. - Few sellers.

 - there is interdependence in decision m11. (i) Where the quantity sold is small.

 (ii) Where the goods are technical in nature require demonstration.

 (iii)Where the goods are very expensive.

 (iv) Where the consumer goes to the manufacturer.

 (v) Where the consumer buys in large quantities.

 (vi) If goods are highly perishable.

 (vii) When the manufacturers has his own retail outlet.

 (vii) Where items are sensitive ie arms.

aking.

 - Firms are faces with linked demand curve

 - Engage in non-price competition.

 - product have close substitute

 4 x1=4 marks