**TERM 1 2023 OPENER EXAMS**

**FORM THREE BUSINESS STUDIES**

**MARKING SCHEME**

1. **Identify any four components of business studies.**
* Accounting
* Commerce
* Office practice
* Entrepreneurship
* Economics
1. **Outline four benefits that accrue to a society that practice indirect production (4 mks)**
* High quality goods/services due to market competition
* Use of modern technology thus better-quality goods/ services.
* Result in surplus production
* Leads to creation of employment e.g., in production, distribution.
* Promote interdependence among people/ community leading to peaceful cohesion.
* Lead to higher standards of living due to variety/ better priced quality products.
* Make country earn foreign exchange.
* Lead to specialization in the society leading to better quality goods and services.
1. **State difficulties faced by consumers as they strive to satisfy their wants. (4 mks)**
* The resources required are scarce.
* The wants are too many and varied to be fully satisfied.
* The wants keep recurring making them difficult to satisfy fully.
* Some wants are complimentary giving rise to new wants and thus difficult to fully satisfy.
* The wants change with time and age making it difficult to satisfy them always.
1. **Highlight the procedure of claiming an insurance claim. (5 marks)**
* Notifying the insurer
* Filling a claim form
* Investigation of the claim
* Preparation of the assessment report
* Payment of the claim
1. **Identify the type of advertisement described by each of the following statements. (4 marks)**

|  |  |  |
| --- | --- | --- |
|  |  Statement  | Type of advertisement |
| i)ii)iii)iv) | Promotes the name of the manufacturer.Creates awareness about a product.Uses names of famous persons to promote a product.Portrays a product as better than others. | InstitutionalInformativeCelebrityCompetitive / persuasive |

1. **Highlight three major types of office layouts. (3 mks)**
* Partitioned/enclosed office layout.
* Open office layout
* Landscape office layout
1. **Outline four benefits that would make Zainabu to join a savings and credit co-operative society (SACCO) (4 marks)**
* Encourage members to save by making regular contributions.
* Provides loan facilities to members based on members contributions.
* They give loans on easy terms / conditions.
* Give dividends to members based on their share contribution.
* Member’s savings / share contributions are doubled upon death of a member.
* Educate the members on co- operative activities.
* They charge low interest rates on loans.
1. **Outline four documents required by the registrar of companies to facilitate registration of Limited Companies (4 marks)**
* Memorandum of Association
* Articles of Association
* Declaration of Compliance
* List of directors
* Director’s statement
* Statement of company’s share capital
1. **Outline four features of a supermarket ( 4 marks )**
* Requires large capital to start.
* They stock a wide variety of goods.
* Offers self service facilities.
* Goods have price tags or bar codes.
* Prices of goods are fixed.
* No credit facilities are offered.
* Sell at comparatively low prices.
* Goods are systematically arranged for easy selection.
* Shoppers are provided with baskets or trolleys for convenience.
* There is minimal interaction between buyer and seller.
* There are employees who pack goods for customers at the pay points.

**10. State four advantages of bonded warehouse to the government (4mks)**

* Government collects revenue
* Helps the government to control entry of illegal good in the country
* Helps the government to control the quality of goods entering the country
* Helps the government to control the quantity of goods entering the country

**11. Outline four importance of trade to the Kenyan economy. (4mks)**

* Creation of employment
* Source of revenue to the government through tax
* Utilization of resources
* Tapping of one’s talent/hobby
* Good international relations through foreign trade
* Promote development of industries
* Source of foreign exchange from exports

**12. List four elements of communication. (4mks)**

* Sender
* Message
* Medium
* Receiver
* feedback

**13. State two broad classification of home trade. (2mks)**

* wholesale
* retail