**BUSINESS STUDIES FORM 3 MARKING SCHEME**

1. -Increase in buyers ability to purchase more goods

* Increase in population
* Favourable legal-political environment e.g fair taxes
* Improved technology
* Favourable cultural environment
* Fair competition

1. -Resources are scarce

* Human wants are endless
* They are recurrent (repetitive)
* They are competitive
* They are habitual

1. –Public

* Private
* Free
* Bonded

1. –Insurable interest

* Doctrine of Utmost Good Faith or “Uberrima Fidei”
* Indemnity
* Proximate cause
* Subrogation
* Contribution

1. –Credit facilities

-After sale services

- Avail a variety of goods

-Offer advice

-Avail goods to consumers

-Break bulk

1. –Marine hull

-Marine Cargo

-Port policy

-Voyage policy

-Floating

-Time

-Mixed

-Fleet

-Composite

1. –Holding companies

-Cartels

-Privatisation

-Absorptions/Take-overs

-Mergers(amalgamation)

-Check-off system

-Burial benevolent funds (B.B.F)

-Front office savings account (FOSA)

-Franchising

-Trusts

-Globalisation

-Performance contract

1. –Product

-Primary demand

-Institutional

-Competitive/persuasive

-Celebrity

-Reminder

1. -Voluntary and open membership

-Democratic administration

-Limited interest on share capital

-Co-operation with other co-operatives

-Promotion of education to members

-Provision of dividends to members

1. –Transport

-Communication

-Warehousing

-Advertising

1. –Easy to supervise workers

-Easy location of workers

-Promote team work

-Floor space is saved

-Cheap to decorate

-Maintenance cost is low

-Discourages absenteeism by employees

-Construction cost is low

1. –Insufficient funds in the account

-Stale cheque

-When the cheque is post-dated

-If the drawer has closed his/her account with the bank

-When the signature of the account holder differ from the specimen in the bank

-A bank learns about death, insanity or bankruptcy

-When the cheque has been altered and the drawer has not signed against the alteration

1. –Insufficient quantities

-Poor quality goods

-Poor services

-Lack of goods

1. –When launching a new product

-When a product is tailored to meet customer’s specification

-When demonstration is required

- When the value of the product is high

-When the organization can afford to finance the sales force

-Where the market is concentrated in one area

1. –Partner’s contributions

-Loans from banks

-Trade credit

-Buying goods on hire-purchase terms

-Retained profit

-Leasing and renting

1. The sender – Person from whom the message originates

Message – The information to be sent

Medium/channel – Means through which the message is to be sent

The receiver – A person for whom the message is intended

Feed-back – The reaction of the receiver to the message

1. Cost –should be affordable i.e both initial and maintenance cost

Adaptability – Should be able to cope with future changes and development

Possibility of hiring rather than buying – one has to consider the cost and convenience of buying an equipment as opposed to hiring

Durability – one has to consider the lifespan of equipment

Effect on staff morale – the attitude towards equipment

Availability of complementary resources – e.g power and availability of spare parts

Availability of manpower required to run and operate the equipment

Availability of room to store the equipment

Security of the equipment

1. - Assist a student to relate the knowledge, skills and attitudes acquired to the day to day business activities

* Equips a student with knowledge and skills necessary to start and run a business
* Assist a student to appreciate the role of business in provision of goods and services
* Makes a student to appreciate the need for good business management practices
* Assist a student to acquire self-discipline and positive attitude towards work
* Equips a student to understand the role of government in business
* Equips a student with abilities to promote co-operation in society through trade
* Helps a student to develop positive attitude towards the environment
* Equips a student with ability to understand the role of communication and information technology in modern business management

1. –Helps people to acquire what they may not be able to produce

* Avails a variety of goods and services – helps producers to dispose off their surplus produce
* Creates employment
* Encourages specialization and division of labour
* Promote social relations and understanding among parties involved
* Provides revenue to the business people and the government
* Ensures steady supply of goods and services

1. a) Cost – The cheapest means should be chosen

b) Nature of goods – Perishable goods require a fast means while heavy and bulky goods

requires a means of transport convenient for such goods

c) Reliability – A means that assures that goods will reach the intended destination at the right time and in the right form should be chosen

d) Urgency – Goods that are urgently required need the fastest means available

e) Security – Means chosen should ensure that goods on transit are safe against loss, theft

or physical damage

f) Distance – Some means are suitable for long distances while others are suitable for

short distances

g) Availability of means – means should be selected based on its availability

h) Flexibility – Should be able to be manipulated to suit the convenience of the transporter

i) Terminals – Some means of transport may have their terminals near the transporter

than others

1. Barriers to effective communication
   * Noise
   * Negative attitude
   * Bad weather
   * Emotional response
   * Poor listening

22.Reasons for government involvement in business.

* To prevent exploitation to consumers
* To provide sensitive goods
* To provide essential goods
* To attract foreign investors in the country

23.The needs for consumer protection

* To protect consumers against harmful products
* To protect consumers against misleading advertisement
* To protect consumers against illegal goods
* To protect consumers against hoarding

24.Elements of transport

* Unit of carriage
* Ways
* Terminal
* Method of propulsion

25.Consideration before giving credit

* Credit worthiness of the buyer
* The repayment period
* Ability to pay
* Frequency of the buying from the seller
* Amount of goods needed