**BUSINESS STUDIES**

**FORM ONE**

**MID TERM EXAM**

**MARKING SCHEME**

1. Outline four characteristics of an entrepreneur. 4mks

**Risk taker**

**Initiative**

**Independent**

**Seek information**

1. Classify the following activities as either primary, secondary or tertiary level of production. 4mks
2. **Harvesting maize-primary**
3. **Oli refining-secondary**
4. **mining -primary**
5. **banking-tertiary**
6. Give the rewards to the following factors of production. 3mks
7. **Land- rent, rates royalties**
8. **Capital- interests**
9. **Labour- salaries/wages**
10. Highlight four characteristics of direct production. 4mks

**Production is in small scale**

**Goods produced are of low quality**

**Leads to low standards of living**

**Encourages individualism**

1. Outline four characteristics of land as a factor of production. 4mks

**It is a basic factor of production**

**Its natural resource**

**Lack geographical mobility**

**Its productivity is not homogenous**

1. State four differences between goods and services. 4mks
2. Outline three function of an entrepreneur. 3mks

**Starts the business**

**Controls the business**

**Makes decision**

1. State four characteristics of economic resources. 4mks

**Have money value**

**Scarce in supply**

**Have utility**

**Can be combined**

1. Highlight four advantages of division of labour and specialization. 4mks

**Output per work is greatly increased**

**Less mental and physical efforts**

**Encourages use of machines**

**Workers acquires skills in a particular field.**

1. Outline four importance of entrepreneurship in the economy. 4mks

**Saves on imports**

**Creation of employment**

**Improve living standards**

**Creation of capital**

1. Give four internal business environment. 4mks

**Owners**

**Business resource**

**Business structure**

**Business culture**

1. Outline four types of business activities. 4mks

**Extraction**

**Manufacturing**

**Trade**

**Distribution**

1. Outline four characteristics of human wants. 4mks

**Are insatiable**

**Require resources**

**Are complimentary**

**Some are habitual**