**FORM 2**

**BUSINESS STUDIES**

**MARKING SCHEME**

**1. Mention four methods of reproducing documents in an office. (4mks)**

* Carbon copying
* Photocopying
* Computer printing
* Scanning
* Stencil printing
* Ink duplicating
* Offset lithography

**2. state four barriers to effective communication.**

 **(4mks**

**3. Identify whether the following factors fall under micro or macro environment of a business.**

 **(4mks)**

 **Factor Environment**

 **(a)Competition level** macro

 **(b)Business structure** micro

 **(c)Cultural beliefs** macro

 **(d)Human resource** micro

**4. State four sources from which an entrepreneur may obtain business ideas. (4mks)**

* News papers.
* Magazines.
* Shows, exhibitions and trade fairs.
* Developing hobbies
* Market surveys.
* Recycling waste products.
* Listening to what people say .
* Spotting a market gap.
* Observing the already existing businesses.
* Borrowing from the internet.
* Brainstorming with friends and relatives.

**5. State four disadvantages of railway transport. (4mks)**

* Trains are Expensive
* Not flexible
* Not convenient over short distances
* Railway lines are expensive

**6. Highlight four factors that a trader may consider when determining the appropriate means of transport (4mks)**

Issuing licenses.

 (b) Issuing licenses.

 (b) Enacting legislation.

 (c) Formulating policies.

 (d) Setting standards.

 (e) Issuing directives.

 (f) Price controls.

 (g) Taxation and offering subsidies.

 (h) Fixing quotas.

**7. List four ways the government may regulate business activities in a country (4mks)**

Issuing licenses.

 (b) Enacting legislation.

 (c) Formulating policies.

 (d) Setting standards.

 (e) Issuing directives.

 (f) Price controls.

 (g) Taxation and offering subsidies.

 (h) Fixing quotas.

**8. The diagram below represents trade.**

 Trade

Retail Trade

 b

 c

 a

International Trade

 d

**Identify what is represented by:**

1. **home trade**
2. **wholesale**
3. **export/import**
4. **import/export**

**9. Highlight four features of a supermarket. (4mks)**

* Requires large amount of capital to start.
* Stocks a variety of goods.
* Goods have price tags/stickers/bar codes.
* Goods are sold on self-service basis.
* Goods are sold in cash only

**10. State four characteristics of economic resources. (4mks)**

* Unevenly distributed
* Have utility
* Have money value
* Scarce in supply
* Can be combined

**11. state five essential elements of communication. (5mks)**

(a) sender

 (b)message

 (c)medium

 (d)receiver

 (c ) feedback

**12. Identify the terms given to each of the following statements. (5 marks)**

|  |  |  |
| --- | --- | --- |
|  | **Statement** | **Term** |
| **a.** | **Transport goods from producers to consumers** | distribution |
| **b.** | **Activities carried out with a view of making profit.** | **Trade/business** |
| **c.** | **A person who uses a good or service.** | **consumer** |
| **d.** | **Increasing the usefulness of a good or services** | **Production** |
| **e.** | **Study of how human beings strive to satisfy unlimited wants with limited resources.** | **economics** |