**NAME: …………………………………………….. ADM NO: ……………………….**

**CLASS: ……………………………………………. DATE: ………………………….**

**BUSINESS STUDIES**

**FORM 1**

**OPENER EXAMINATION TERM 3, 2022**

**MARKING SCHEME**

1. State four **methods of reproducing documents in an office**. (4mks)
2. Photocopying
3. Carbon copying
4. Duplication
5. Printing
6. List four **characteristics of human wants.**  (4mks)
7. They are recurrent/repetitive
8. They are unlimited/many/endless in number
9. They vary in urgency and intensity
10. They are competitive
11. They require resources to be satisfied
12. They are habitual
13. Some are complimentary
14. They are insatiable
15. Identify the type of goods described by each of the following statements. 4mks

|  |  |  |
| --- | --- | --- |
|  | **Description**  | **Goods**  |
|  | Owned by no one but the government | **Public goods** |
|  | Produced to be in the production of other goods | **Producer goods** |
|  | Available in abundance as gifts of nature | **Free goods** |
|  | Have monetary value and human effort is needed to obtain them | **Economic goods** |

1. Give four **sources of business ideas.** (4mks)
2. Print media-newspapers, journals and magazines
3. Electronic media eg. TV, computer
4. Vocational training
5. Hobbies/talents
6. Listening to what people say
7. Unutilized waste materials
8. Observing established entrepreneurs/role models
9. Experience
10. Research and development
11. Shows and exhibitions
12. Spotting a market gap niche
13. Brainstorming
14. Business seminars/workshops
15. Outline four **components of business studies**. (4mks)
16. Accounting
17. Commerce
18. Office practice
19. Economics
20. Entrepreneurship
21. State whether the good or service given in the table below would satisfy a basic human want or secondary want. 4mks

|  |  |
| --- | --- |
| **Good/service**  | **Class of human wants** |
| 1. A shirt
 | **Basic**  |
| 1. Education
 | **Secondary**  |
| 1. Housing
 | **Basic**  |
| 1. A packet of rice
 | **Basic**  |

1. List four **functions of an office**. (4mks)
2. Filing
3. Communication
4. Mailing
5. Reproduction of documents
6. Safeguarding of an organization property
7. Receiving documents
8. Outline the **meaning of the following terms in relation to satisfaction of human wants (4mks)**
9. Scale of preference- **a list of unsatisfied human wants in the order of priority/importance**
10. Choice **it is the selection/deciding which human want to satisfy because resources are not enough**
11. Opportunity cost **-it is the value of foregone alternative in order to enjoy another good/service**
12. Scarcity**-it is a situation where economic resources are limited in supply/not enough/inadequate to satisfy human wants**
13. Name the **factor of production that each of the following resources relate to**. 4mks

|  |  |  |
| --- | --- | --- |
|  | **Resource**  | **Factor of production** |
|  | Accountant  | **Labor**  |
|  | Motor vehicle  | **Capital**  |
|  | Water  | **Land**  |
|  | Owner | **Entrepreneurship**  |

1. Highlight four c**haracteristics of an entrepreneur.**  (4mks)
2. Risk taker
3. Patient
4. Innovative
5. Competitive
6. Desire to achieve
7. Self confidence
8. Efficient
9. Determination
10. Time conscious
11. Ability to come up with solutions
12. Goal oriented
13. Indicate with a tick in the appropriate column the business environment associated with each of the factors. (4mks)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Factor**  | **Internal environment**  | **External environment**  |
|  | Technology  |  |  |
|  | Human resource |  |  |
|  | Political  |  |  |
|  | Goals and objectives  |  |  |

1. **Name the aspects of business studies explained by the following statements.** (4mks)
2. Process of moving goods and services from the producer to the consumer **distribution**
3. Creation of goods and services to satisfy human wants **production**
4. Act of using or utilizing goods and services to satisfy human wants **consumption**
5. Study of business-related activities and how they affect the society **business studies**
6. Outline four **personal considerations to take when evaluating a business idea.**  (4mks)
7. Personal objectives
8. Knowledge and skills of an entrepreneur
9. Interest of the entrepreneur
10. Financial status of the entrepreneur
11. Commitment of the entrepreneur
12. C**lassify the following as either direct or indirect production.** 4mks
13. Simple production techniques used by the producer **direct**
14. A variety of goods and services are produced **indirect**
15. There is mass production of a certain product **indirect**
16. Production is done with the view of own consumption **direct**
17. Classify the following resources as natural, man-made or human. (4mks)

|  |  |
| --- | --- |
| **Resources**  | **Classification**  |
| 1. Architect
 | **Human**  |
| 1. Boat
 | **Man made** |
| 1. Soda ash
 | **Natural**  |
| 1. Driver
 | **Human**  |

1. Highlight four **benefits of a business plan to an entrepreneur.** (4mks)
2. Facilitates acquisition of loans from financial institutions
3. Provide guidance for opening new and expanding existing business
4. Acts as a managerial tool for the business/ identifies strengths and weaknesses
5. It’s a tool for evaluating business performance
6. It lays the strategy to be used in marketing products
7. It enhances credibility of the business
8. It is a motivational tool
9. State four **types of business activities**. (4mks)
10. Extraction
11. Processing
12. Manufacturing
13. Trade
14. Construction
15. Provision of services
16. Distribution of goods
17. State four **importance of learning business studies.**  (4mks)
18. Learners gain knowledge and skills on how to start and run a successful business
19. Helps learners to develop positive attitudes towards work
20. Helps learners to develop careers
21. Enables learners to understand the role of government in business
22. Gives learners basic knowledge for further studies
23. Help learners to understand other related subjects of study
24. Enable learners to appreciate the role of business in the society
25. Indicate in the table below the machine used to perform the following functions. 4mks

|  |  |  |
| --- | --- | --- |
|  | **Functions**  | **Machines**  |
|  | Folding documents, placing them in envelopes and sealing the envelopes | **Composite**  |
|  | Making short hand dictations and recording information on tapes  | **Dictaphone**  |
|  | Posting information to ledges and preparation of pay rolls | **Accounting machine**  |
|  | For trimming documents into required shapes and sizes | **Guillotine**  |

1. List four **external business environments**. (4mks)
2. Economic
3. Demographic
4. Technological
5. Legal political
6. Cultural
7. Competitive
8. Physical
9. Explain five **factors that should be considered by a business when choosing office equipment.**  (4mks)
10. Cost -the equipment should be affordable in terms of initial cost and maintenance
11. Durability -the equipment should be long lasting
12. Level of technology should be modern so that it is not rendered obsolete within a short period of time
13. Personnel to operate it – it should be easy to use by the organization’s staff. It should not require huge training cost to the organization
14. Capability -the equipment should be able to give the required output in the most efficient way
15. Effect on staff morale- the equipment should be embraced by the staff
16. Availability of spare parts- equipment spare parts should be easily accessible to minimize costs
17. Availability of space- the room should be adequate to accommodate it.
18. Security-to avoid loss
19. Explain five **features of land as a factor of production.**  (4mks)
20. It’s a natural resource- God given/provided freely by nature
21. It’s a basic factor of production- production cannot take place when land is absent
22. Its reward is rent/rates/royalties, owners of land receive income in form of rent due to its exploitation/use
23. Its supply is fixed/limited available size of land cannot be increased or decreased
24. Subject to law of diminishing returns loses productivity due to continuous use
25. It is quality/productivity can be improved through application of manure/fertilizer/improving technology/capital