



# Spotlight Business Studies

Learner's Book

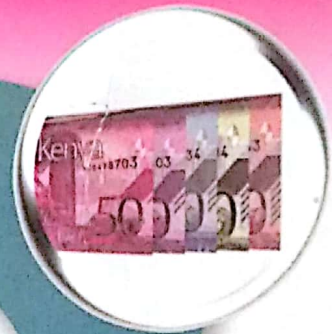
Grade

7



Cheque

Cash



Payment  
Methods



Debit Card

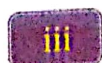
Mobile Money  
Transfer



■ Joshua Wakhu ■ Kyalo Junior ■ Jahenda Mdome

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## 1.1 Introduction to Business Studies

As human beings, we require various items and various activities in our day-to-day lives. These items are known as goods, and activities are known as services. They are normally provided in our respective communities by business people. For a business to provide efficient goods and services and make profit, the business person should have business related knowledge and skills.

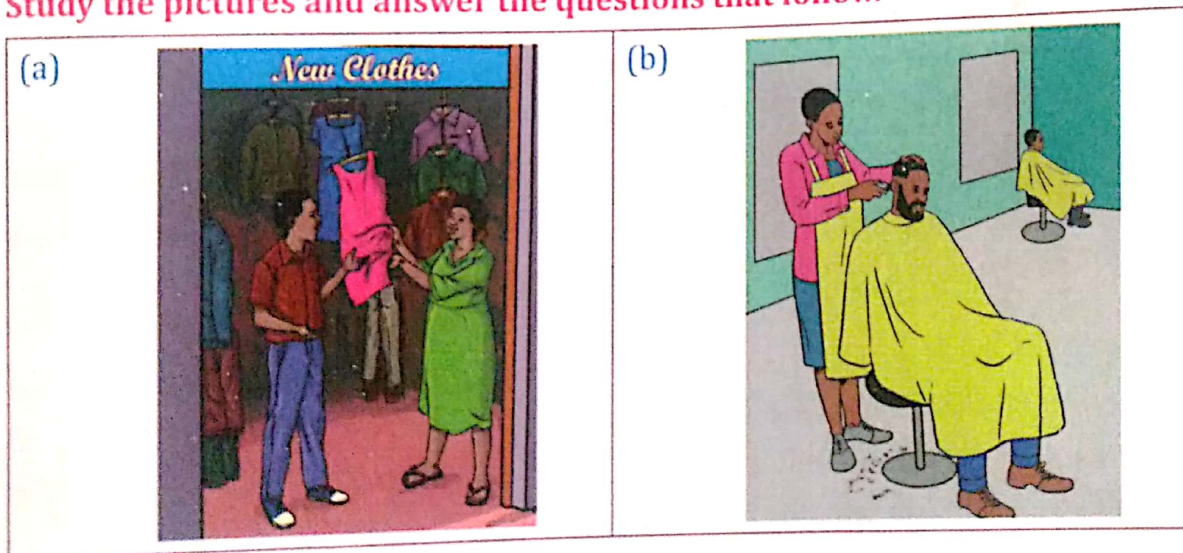
### Share your experiences

- What have you ever done to earn money in your life?
- Other than employment, what do you think people do to generate money?
- What do you think we are going to learn about in this sub strand?

## A. Concept of Business Studies in Kenya

### Learning task 1

Study the pictures and answer the questions that follow.



### Questions:

- What are the people in the pictures doing?
- Identify the things or activities which can be bought in the pictures.
- What are the names of the businesses in the pictures?
- Describe some of the businesses in your community.
- Which skills do you think a person needs to run a business successfully?

## Learning task 2

Read the following story and answer the questions that follow.

Tito has just completed Grade Six assessment. All learners are on holiday. During the holiday, Tito wanted to help his mother run her grocery business. He wanted to learn how his mother plants vegetables and fruits at their rural home farm. He transports the produce to her shop in town and sells them to her many clients. One day, Tito decided to go to the nearby bookshop to buy some Business Studies textbooks, a subject which he will take in Grade Seven. He wanted to learn more about businesses so that he can help his mother to run her business. Tito read about the components of Business Studies. This is what he learnt:

- (i) Commerce – This component will help you understand how goods or produce are transported from where they are produced to where they are required.
- (ii) Accounting – This component will help you to practise keeping accurate business records arising from trading activities (buying and selling) for decision making.
- (iii) Financial literacy – This component will help you to apply knowledge and skills to effectively use various financial skills. These skills include budgeting savings and investing.
- (iv) Economics – This component will help you to understand how human beings attempt to satisfy their needs and wants using the limited resources available. Resources are the things that are required in order to satisfy human wants and needs.
- (v) Entrepreneurship – This component will teach you the activities involved in identifying a business opportunity and acquiring the necessary resources to start and run a business.

### Questions:

1. Identify the activities that Tito's mother had to perform for her business.
2. Why did Tito want to buy a Business Studies textbook?
3. How can Tito use what he learnt to help his mother run her business?
4. Use what Tito learnt to explain the components of Business Studies.



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## Digital task

1. Using any digital device available, watch the video provided in the following link to understand the concepts and components of Business Studies.  
<https://tinyurl.com/bddtzsdm>
  2. Share what you learn with a classmate, your parent or guardian.
- OR
3. You can find any Business Studies related textbooks and use them for this task.

## Discuss and present



1. Use what you learnt in Learning Task 1 and 2 to discuss the meaning of the following terms:

(a) Business                      (b) Business Studies

2. Match the definition to the correct term as used in business.

Definition	Term
(a) The creation of goods and services.	Consumption
(b) The movement of goods and services from producer to the users.	Production
(c) The use of goods and services.	Distribution

3. Present your discussion in class.

## Key learning points

- (a) Business is any activity carried out by an individual or a group of people that involves buying and selling goods and services with the aim of making profit.
- (b) Business Studies is the study of activities carried out in and around the production, distribution and consumption of goods and services.
- (c) Learning business helps us to understand how individuals or a group of people organise, plan and act to develop goods and services to satisfy their customers.
- (d) The components of Business Studies include:
  - (i) **Commerce:** This is the study of trade and aids to trade. Trade refers to the exchange of goods and services for other goods and services or for money. Aids of trade are human activities that assist trade to take place. They include communication, transport, banking, warehousing, insurance and advertising.

- (ii) Accounting: This refers to the systematic way of keeping accurate business records arising from trading activities which are used for decision making.
- (iii) Economics: This is the study of how human beings strive (struggle) to satisfy their endless wants using available scarce resources. Human wants are unlimited, meaning endless whereas the resources are limited, meaning scarce in supply.
- (iv) Financial literacy: This is the ability to apply knowledge and skills to effectively use various financial skills such as budgeting, saving or investing.
- (v) Entrepreneurship: This is the study of the process of identifying a business opportunity and acquiring the resources needed to start and run a business. The person who performs these activities is known as an entrepreneur.



### Further learning task

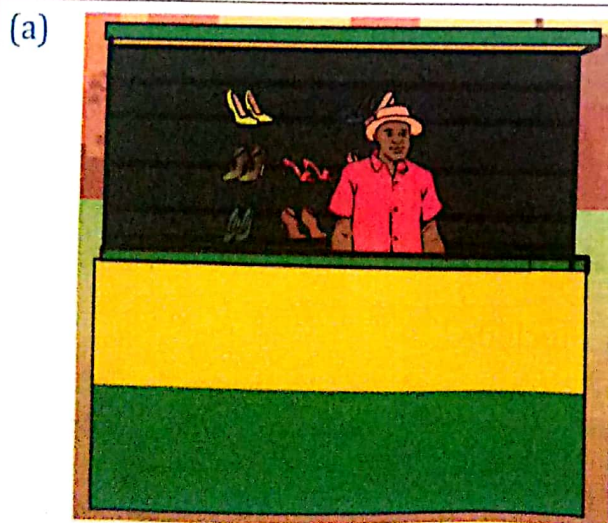
1. Use any Business Studies related textbook or a dictionary to find out the meaning of the following terms as used in Business Studies:
 

(a) production	(b) distribution
(c) consumption	(d) goods and services.
2. Present your findings during clubs and societies.

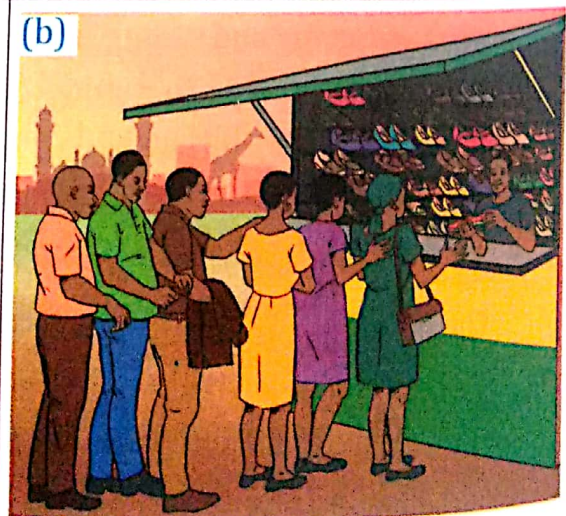
## Importance of Business Studies

### Learning task 3

Study the pictures below and answer the questions that follow.



*An unsuccessful business*



*A successful business*



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### Questions!

1. What is the difference between the two businesses in Pictures (a) and (b)?
2. Why do you think one business is performing better than the other?
3. What skills and knowledge do you think a business person should have?
4. Explain the skills and knowledge a person can get from Business Studies.

### Digital task

1. Use any appropriate digital device available to watch the video in the following link: <https://tinyurl.com/969d2uvj>
2. Use the video to learn why Business Studies is important.
3. Share what you learn with your parent or guardian.

OR

4. You can find any Business Studies related textbook and find the information you need.

### Discuss and present



1. Discuss the importance of Business Studies:
  - (a) to the learner
  - (b) to the community
  - (c) to the country's economy.
2. Note down your points and share them with the rest of class.

### Debate



1. Use the following question to conduct a debate.  
Should Business Studies be a compulsory or an optional subject in school?
2. Note down what you have learnt from the debate.
3. Write a short essay explaining the importance of Business Studies.

### Key learning points

Business Studies is important in the following ways:

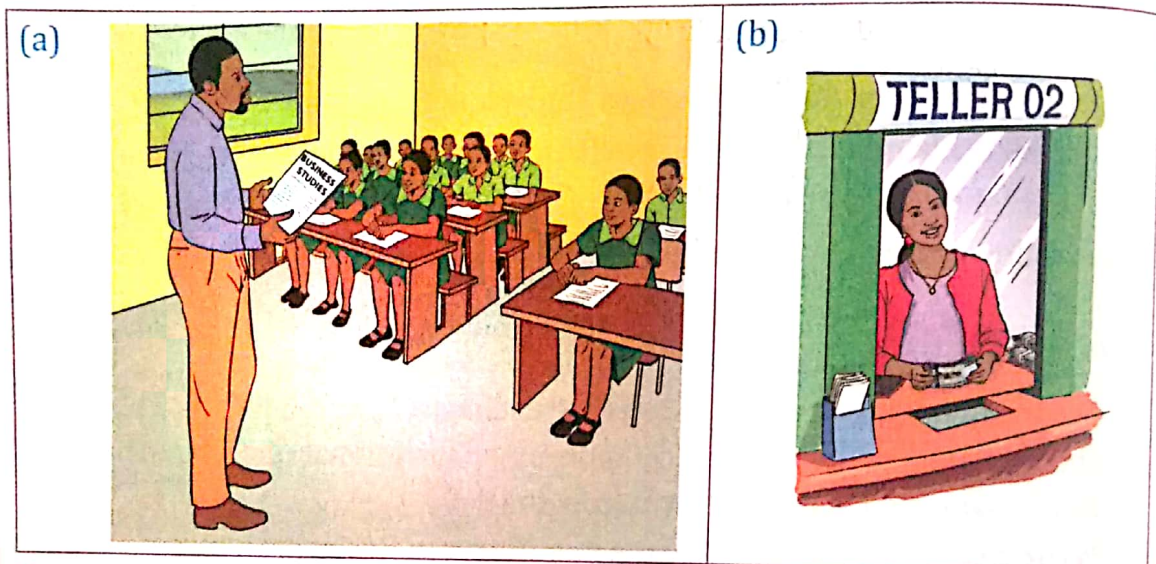
- (a) It equips us with the knowledge and skills needed to start and run a business.
- (b) It helps us to appreciate the importance of business activities in the provision of goods and services.
- (c) It assists individuals in acquiring skills for wise buying and selling.
- (d) It helps us understand the country's economy.
- (e) It assists individuals in acquiring self-discipline and a positive attitude towards work.

- (f) It helps us understand the role of communication and modern technology in business management.
- (g) It provides us with the knowledge and skills necessary for identifying business opportunities.
- (h) It helps us understand and appreciate the role of government in business activities.
- (i) It helps us understand and appreciate the basic economic issues that affect society, such as the increase in prices of goods and services.
- (j) It creates a foundation for further education and training in business.

## B. Careers and opportunities related to Business Studies

### Learning task 4

Observe the people in the following pictures and answer the questions.



Questions:

1. Have you ever seen such people in your school or community?
2. What do you think they do to earn a living?
3. Which components of Business Studies can the people in the pictures apply to do their jobs? Explain.

### Learning task 5

Read the following interview and discuss the questions that follow.

Hellen: Hello Patrick, welcome to the interview.

Patrick: Thank you. I am happy to be here.



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- Hellen:** Today's show is meant to encourage the youth to be their own bosses. Kindly share with the viewers how you started your business.
- Patrick:** It all begun with a hobby.
- Hellen:** Hmm! Sounds good. Tell us more.
- Patrick:** I love nature and exploring various places in our county. I used to visit beautiful places in our community.
- Hellen:** I see. So you wanted everyone to experience the excitement and joy of all the beautiful natural sites in the community?
- Patrick:** Yes; exactly! I told my friends and family about the idea and they helped me to spread the word about my business. Every weekend, we would place advertisements all over the community. My youngest sister was good with social media so she developed and shared pictures online.
- Hellen:** Social media is a very powerful tool in business.
- Patrick:** Indeed, Hellen. I got many bookings for the adventure trips we advertised. The money deposited by the people helped me to rent a vehicle that was used for the first trip. The profit from the trip helped me pay my friends and family for their hard work. I also used the profit to pay some of my bills.
- Hellen:** Wow! I will sign up and come to experience the trips soon.
- Patrick:** That would be nice. Bring your friends too.
- Hellen:** I see you used to be an accountant before starting your own business. Tell us more about that.
- Patrick:** After the business grew, I decided to quit my job as an accountant and focus full time on my business.
- Hellen:** That's good. Do you still apply your skills as an accountant in your business?
- Patrick:** Yes, I do all the financial record keeping for my business. I also manage all the money that comes in and goes out of the business.
- Hellen:** What did you study in school?
- Patrick:** I took Business Studies in secondary. I did very well and studied a degree in finance at the university level.

**Questions:**

1. How did Patrick start his own business?
2. What was Patrick's job before he started his own business?
3. Mention the skills that Patrick used to successfully run his business?
4. Using the dialogue, explain what self-employment means.
5. How did Business Studies help Patrick start his business?
6. How can self-employment help the community?

## Learning task 6

Study the following newspaper advertisement and discuss the questions that follow.

### Winners Junior High School

#### High School Business Studies Teacher Job Advertisement

Winners Junior High School is looking for High School Business Studies Teachers. Please note that this applies to teachers with 3 or more years of teaching experience.

#### Qualifications:

- Must have a degree in education, specialising in Business Studies.
- Strictly 3 or more years teaching experience.
- Must have good communication skills.
- Should be a problem solver.

#### Duties of the Business Studies Teacher

- Teach and deliver Business Studies lessons.
- Be accountable for learner's mastery of learning outcomes.
- Apply technology devices to facilitate lessons to enhance learning.

#### Questions:

1. What is the name of the job being advertised in the newspaper?
2. Describe the academic qualifications for the job.
3. Discuss the duties of the Business Studies teacher.
4. Discuss other careers related to Business Studies.

#### Digital task

1. Use any appropriate digital device available to you to watch the video provided in the following link. <https://tinyurl.com/ycxhnt8k>
  2. Use the video to answer the following questions:
    - (a) Which careers are related to Business Studies?
    - (b) State the roles of one of the careers discussed in the video.
- OR
3. Find a newspaper or a magazine and identify the job advertisements or relevant textbooks with career opportunities related to Business Studies.
  4. Write the requirements for the careers and share your findings with the class.



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## Key learning points

- (a) A career refers to a job, a profession or an occupation that one chooses as one's life work. A career helps one to earn money or make a living.
- (b) Studying business and other related subjects helps us to qualify for various job opportunities in the business sector. Some of these jobs include:
  - (i) Teacher – A person can earn a living through teaching business-related studies at different levels of education.
  - (ii) Bookkeeper or Accountant – A person who keeps records of business transactions, inspects and analyses financial accounts.
  - (iii) Salesperson – A person whose job is to sell products or services.
  - (iv) Self-employed people – Some people utilise the skills and knowledge learnt from Business Studies to start and manage their businesses.



## Further learning task

1. Find out the roles of the following people in their jobs:
  - (a) banker
  - (b) marketer
  - (c) accountant
  - (d) entrepreneur.
2. Work in groups or pairs to develop a role-play to demonstrate the roles of the careers you have learnt about.
3. Present the role-play in class.

**Tip:** You can use books, parents or guardians, family members, newspaper or digital devices to find the information you need.

## Assessment Questions

1. What is Business Studies?
2. Mention five importance of Business Studies.
3. Explain the five components of Business Studies.
4. Identify any five career opportunities related to Business Studies.

## Self-assessment

Tick (✓) in the boxes of the progress checklist below correctly. Seek guidance from your teacher where necessary.

Outcome	Yes	No
(a) I can examine the concept of Business Studies in Kenya.		
(b) I can explain the importance of Business Studies in day-to-day life.		
(c) I can explore career opportunities related to Business Studies.		

I should improve in the following areas:

.....

.....

.....

.....



## 1.2 Money

In the process of buying and selling goods and services to make profit, buyers and sellers use money as a medium of exchange for goods and services.

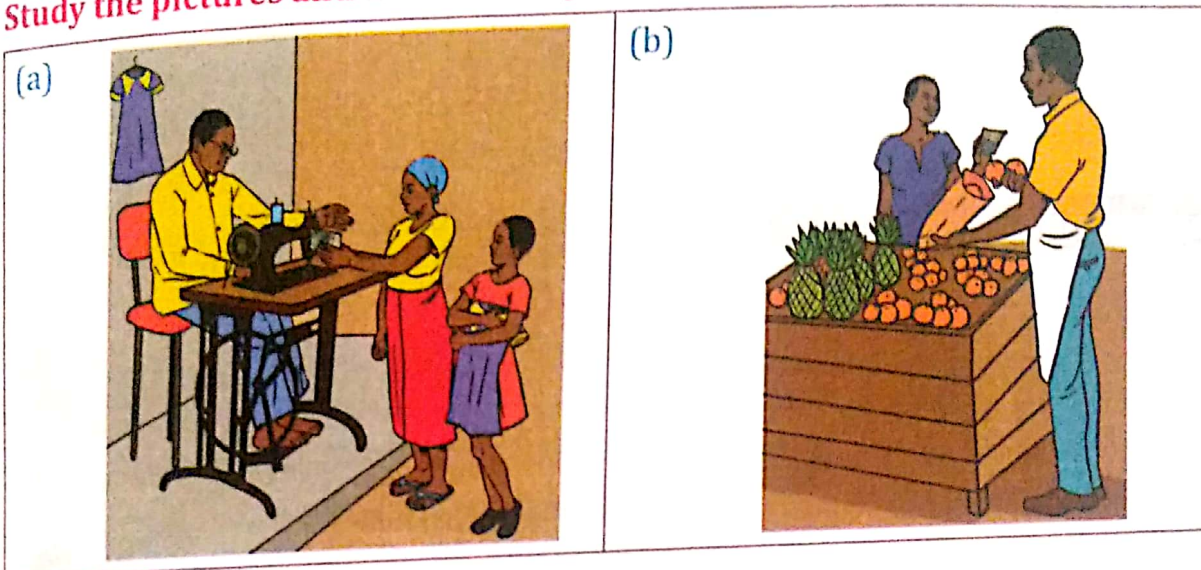
### Share your experiences

- What do you use to pay for goods or services?
- What do you think we shall learn in this sub strand?

### A. Uses of money

#### Learning task 1

Study the pictures and discuss the questions that follow.



#### Questions

- Describe what is happening in the pictures.
- Identify what the people are using to buy different goods and services.
- How are the people in the pictures using money?
- Using the pictures, define the term **money**.
- Mention other ways we use money in our day-to-day lives.

#### Learning task 2

Read the conversation and answer the questions that follow.

Mr Juma: Good morning, Mr Njenga.

Mr Njenga: Good morning, Mr Juma, I hope you are fine today.

Mr Juma: Am well, however, I have a problem.

Mr Njenga: What is the problem?

Mr Juma: I have tried to withdraw some money from my savings account using the bank app but it looks like the system is down.

Mr Njenga: I am sorry to hear that.

Mr Juma: Thank you. I called the bank and they told me to wait until tomorrow. They are updating the system.

Mr Njenga: Sorry for that Juma. What can I do to help?

Mr Juma: Thank you. Schools are opening tomorrow and my children need a new pair of shoes. However, I do not have the money to pay you now.

Mr Njenga: It's alright I will sell the school shoes on credit, as long as you pay on time.

Mr Juma: Oh, thank you. I promise to pay you tomorrow.

Mr Njenga: No problem. I know you always do. Greet your children for me.

Mr Juma: I will greet them. See you tomorrow.

### Questions:

1. When did Mr Juma promise to pay for the pair of shoes?
2. Identify two uses of money from the conversation.
3. Why do you think Mr Juma saved his money in the bank?
4. Mention other places where people save money.

## Learning task 3

Read the following story and answer the questions that follow.

Mr Kefa and his family wanted to relocate to another town. Mr Kefa wanted to sell his land and the house he had built before relocating. Mrs Kefa gave him an idea to advertise their property for sale in the newspaper.

One week later, Mr Kefa was called by a lady who was interested in buying his

property. The lady came to see the property that was advertised. She liked the land and the house and therefore paid Mr Kefa the full amount. Mr Kefa transferred the ownership of the property to the lady.

### LAND FOR SALE!

House and land for sale!

Price: KSH 1.5 Million

Call For More Information:

0748459762



### Questions:

1. What did Mr Kefa want to sell?
2. Why did Mr Kefa want to sell his property?
3. What did the lady do before Mr Kefa transferred his property to the lady?
4. Explain the use of money in the story.



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## Discuss and present

- Using what you learnt in the previous learning tasks, discuss the following uses of money:

A store of value.

A standard of future payment.

A measure of value.

Transfer of property that cannot be moved.

- Share your discussion with the class.

### Digital task

- Use any appropriate digital device available to you to watch the video in the following link:  
<https://tinyurl.com/2s33wyy2>
  - Use the video to explain how money is used.
  - Share what you have learnt in your class groups.
- OR
- You can also use any Business Studies related textbook to do this task.

### Key learning points

- Money is anything that is generally accepted as a medium of exchange for goods and services. Money can be in form of notes and coins.
- Money can be used in the following ways:
  - As a medium of exchange – Money is used as a means of exchange for goods and services since it is generally acceptable by everyone.
  - As a standard of deferred or future payment – Money can be used to pay for a good or a service at a later date. This is known as deferred payment. This is allowed because money is acceptable by everyone at all times.
  - As a store of value – Money is used in storing wealth for example savings. Money stored or saved may retain its value for many years.
  - As a measure of value – Money determines the worth and value of goods and services. Expensive goods and services have a higher value than cheap goods and services.
  - As a unit of account – Money makes accounting possible because the worth of goods and services are measured in money. Different goods and services are calculated and recorded according to the money used to acquire them.

- (vi) **Transfer of immovable assets** - An asset is anything that has current or future economic value. Assets include a house, land, car among others. Some properties like land and buildings cannot be moved from one place to another but one can sell them and use the money obtained to buy a land or a building in a different place.

### Further learning task

Ask your parent, guardian or any family member to share their experiences on how they use money in the following ways:

- (a) medium of exchange
  - (b) standard of deferred payment
  - (c) unit of account
  - (d) measure of value
  - (e) store of value
2. Write down your understanding of the uses of money using the experiences shared.
  3. Share what you learnt with your classmate.

## B. Key Security features of the Kenyan currency

### Learning task 4

Study the pictures and answer the questions that follow.

(a)



(b)



### Questions

1. Identify the items in the pictures.
2. How do we use the items in the pictures?
3. Look at each item again and identify any details written or printed on them.
4. Why do you think the items have the details you identified?

### Learning task 5

Read the following scenario and answer the questions that follow.

Makena was travelling to school using a bus. She used a five hundred shilling note to pay the conductor. The conductor took the note from Makena and raised it against the light. She was checking for something in the note. The conductor accepted the money and gave Makena the remaining balance.

- (vi) Transfer of immovable assets – An asset is anything that has current or future economic value. Assets include a house, land, car among others. Some properties like land and buildings cannot be moved from one place to another but one can sell them and use the money obtained to buy a land or a building in a different place.

### Further learning task

1. Ask your parent, guardian or any family member to share their experiences on how they use money in the following ways:
  - (a) medium of exchange
  - (b) standard of deferred payment
  - (c) unit of account
  - (d) measure of value
  - (e) store of value
2. Write down your understanding of the uses of money using the experiences shared.
3. Share what you learnt with your classmate.

## B. Key Security features of the Kenyan currency

### Learning task 4

Study the pictures and answer the questions that follow.

(a)



(b)



### Questions

1. Identify the items in the pictures.
2. How do we use the items in the pictures?
3. Look at each item again and identify any details written or printed on them.
4. Why do you think the items have the details you identified?

### Learning task 5

Read the following scenario and answer the questions that follow.

Makena was travelling to school using a bus. She used a five hundred shilling note to pay the conductor. The conductor took the note from Makena and raised it against the light. She was checking for something in the note. The conductor accepted the money and gave Makena the remaining balance.



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### Questions:

1. What do you think the conductor wanted to see in the note?
2. Why did the conductor check the note first before accepting it?
3. What other ways can the conductor use to check the note?
4. Discuss other features that differentiate genuine Kenyan money from fake money.

## Learning task 6

Read the following article and answer the questions that follow.

Former president Uhuru Kenyatta along with the Central Bank Governor on the Madaraka Day of 2019 launched Kenya's new generation banknotes that adhere to the standards outlined by the 2010 Constitution. The new notes have specialised features that will help in distinguishing the real notes from the fakes. Three of these specialised features are elements which can be felt when touched.

On the face of each note, one should be able to **feel the value of the note, the word Kenya and raised bars at the left border of the note**, all imprinted.

For a Ksh. 50 note, there should be one raised bar, a Ksh. 100 note should have two, a Ksh. 200 note should have three and Ksh. 500 and Ksh. 1000 notes should have four and five respectively.

The new notes have maintained the **lion watermark** that should be visible from the front and the back of the note when raised against the light.

The **security thread** that was present in the old notes was also maintained but enhanced with a slight difference in colour. When held at an angle or tilted, the security thread should change colour from red to green on all notes.

The thread for Ksh. 200, Ksh. 500 and Ksh. 1000 notes should have additional horizontal lines in rainbow colours for Ksh. 50 and Ksh. 100 notes they should remain diagonal and in green for an authentic note.

An all new golden band has also been introduced as the only security feature unique to the back of all the notes. The diagonal line on a genuine note should display the value of the note.

(Source: *pulselive.co.ke*, June 3, 2019)

### Questions:

1. Why did the former president and the Central Bank Governor release new Kenyan notes?
2. Using the article, what security features do the new Kenyan notes have?
3. Use actual money that your teacher will show you to identify each security feature mentioned in the article.

## Discuss and present

1. Discuss the following questions:
  - (a) Do you think it is important to have security features in our currency?
  - (b) Why do you think coins have security features?
2. Present your discussion in class.

### Key learning points

The Kenyan money has the following security features which help the people of Kenya to differentiate real Kenya money from fake money.



*Sample of Kenyan currency with labelled security features.*

1. The word Kenya can be felt on all the notes.
2. The value of each note can be felt.
3. At the edge of each note, there is a number of bars according to the value of the currency, that is;

1 bar – Ksh. 50	4 bars – Ksh. 500
2 bars – Ksh. 100	5 bars – Ksh. 1000.
3 bars – Ksh. 200	
4. There is a watermark of a perfect lion's head, the text CBK and the value of the bank note in each note. A watermark can only be revealed when the note is held up against the light.
5. The security thread appears as a continuous line.
6. The security thread changes colour from red to green on all banknotes. The 200, 500 and 1000 notes have additional rainbow colours on the thread.
7. The golden band on the back of the notes show the value of each note.

### Further learning task

1. Find the following coins and identify their features.

Coins	Features
1 shilling coin	
5 shillings coin	
10 shillings coin	
20 shillings coin	

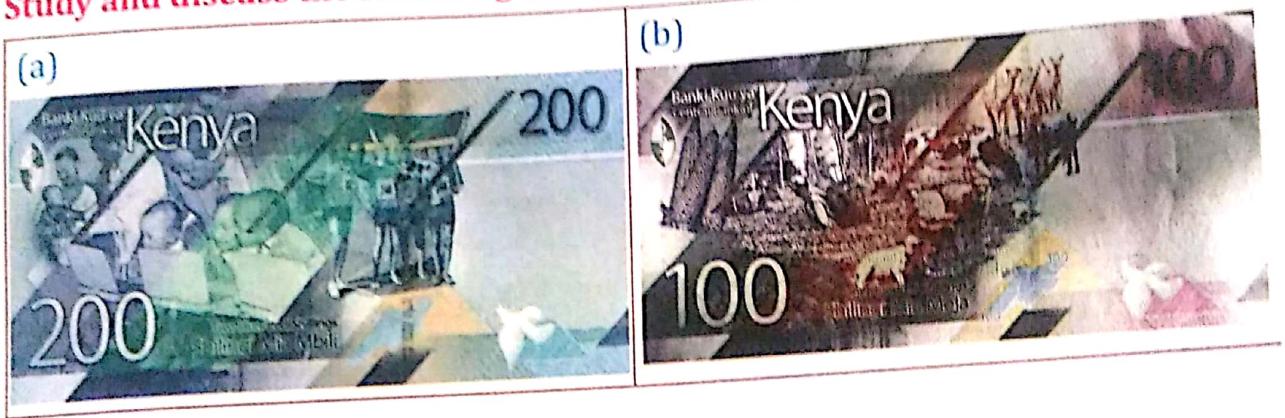
2. You can ask your parent or guardian for assistance.

3. Share your findings in class.

## C. Themes and symbols on the Kenyan currency

### Learning task 7

Study and discuss the following Kenyan currency notes.



#### Questions:

- Describe the images you can see in the two notes.
- Which themes of our nation are represented in the notes?
- Why do you think the Kenyan currencies have different themes?
- Observe the backside of other Kenyan notes and identify the themes and symbols used for each note.

### Learning task 8

Study and discuss the following Kenyan currency coins.

- Other than the value, identify other features of the coins in the picture.
- What do you think the animals in the coins represent?
- How do the coins promote the country's tourism sector?



## Learning task 9

Read the passage and answer the questions that follow.

In 2020, Kenya's tourism was among the most affected sectors by the COVID-19 pandemic. Many countries banned its citizens from travelling to other countries to prevent further spreading of the virus. Most people lost their jobs and the Kenyan economy was badly affected as well.

In 2020, Kenya's tourism industry started to pull out of its deep COVID-19 pandemic by lowering parks rates and also involving different social platforms to advertise Kenya's beautiful tourism sites. Local tourists and foreigners visited different parts of the country to enjoy the sand, sun and parks.

The Central Bank of Kenya has also helped in the growth of tourism through the Kenyan currency. The new notes and coins feature Kenya's famous animals like the elephant, lion, buffalo, leopard and giraffe. They are also appropriately colour-coded, giving them a rather unique theme that is aimed at capturing our country's natural richness, and in the process show Kenya at its best in tourism.

Tourism helps to increase the revenue of the country, creates jobs, develops infrastructure and develops a sense of cultural exchange between foreigners and the local citizens.

### Questions:

1. Which Kenyan note captures the theme of tourism?
2. How has the Kenyan currency contributed to the growth and development of the tourism sector?
3. Explain the importance of capturing the famous animals in Kenyan currency.
4. How is tourism important in the country's economy?

### Discuss and present

1. Observe and study all the Kenyan notes and identify the following information:
  - (a) different types of green energy
  - (b) different sectors of agriculture
  - (c) different types of social services.
2. Discuss how the themes and symbols of the Kenyan currency help in the growth and development of different sectors of Kenya's economy.
3. Present your discussion in class.



## Digital task

1. Using any appropriate digital device available, visit and read the content provided in the following link.  
<https://www.centralbank.go.ke/wp-content/uploads/2019/06/New-Generation-Banknotes-Pamphlet.pdf>
  2. Find the description of the themes of each Kenyan note.
  3. Note down what you have learnt about the different themes of the Kenyan currency.
- OR
4. You can also use newspapers, magazines or relevant textbooks to do this task.

## Key learning points

- (a) The Kenyan currency symbolise significant aspects of the nation which serve as a means of passing knowledge, conserving culture and promoting the country's global uniqueness.
- (b) The face of all notes bear the image of Kenyatta International Convention Centre (KICC), one of the most common and known landmarks in our country. It also shows a photo of our first president Mzee Jomo Kenyatta.
- (c) All the Kenyan currencies have symbols of Kenya's 'Big Five' animals, such as lion, leopard, rhino, giraffe and buffalo.
- (d) Each note has a dove to symbolise a peaceful Kenya.
- (e) All Kenyan currencies have the coat of arms. The coat of arms of Kenya features two lions, a symbol of protection, holding spears and a traditional East African shield. The shield and spears symbolise unity and defence of freedom.
- (f) Each of the Kenyan currencies or notes symbolises various themes that promote different aspects of the country. For instance:
  - (i) The 50 shilling note symbolises the theme of green energy.
  - (ii) The 100 shilling note symbolises the theme of agriculture.
  - (iii) The 200 shilling note symbolises the theme of social services.
  - (iv) The 500 shilling note symbolises the theme of tourism.
  - (v) The 1000 shilling note symbolises the theme of governance.
- (g) The coins continue to promote Kenya's tourism sector by promoting Kenya's famous animals, that is, elephant for Ksh 20 coin, lion for Ksh 10, rhino for Ksh 5, and giraffe for Ksh 1 coin.



**Note:** These animals are also found on the notes, that is, the buffalo for ksh. 50 note, leopard for ksh. 100 note, rhino for ksh. 200 note, the lion for ksh. 500 note and the elephant for ksh. 1000

### Further learning task

1. With the guidance of any family member, discuss the following questions.
  - (a) How do you use money in your day-to-day life?
  - (b) How does your parent or guardian use money?
  - (c) How does the community use money?
  - (d) How does the government use money to run the country?
2. Write a short essay to describe the importance of money in the economy.
3. Present the essay to the class.

### Assessment Questions

1. What do you understand by the term money?
2. Explain four uses of money.
3. How can we identify genuine Kenyan money from fake ones?
4. What is the theme of Kenya's one thousand note?
5. Explain the themes and symbols on the Kenyan currency.
6. List the animals used in Kenya's currency.

### Self-assessment

Tick (✓) in the boxes of the progress checklist below correctly. Seek guidance from your teacher where necessary.

Outcome	Yes	No
1. I can explain the meaning of money and its uses in day-to-day life.		
2. I can identify the key security features of Kenyan currency.		
3. I can describe themes and symbols in the Kenyan currency.		

I should improve and do better in the following areas:

.....

.....

.....

.....



## 1.3 Personal Goals

In life, one has to have a desire or a target which one seeks to achieve or meet. These targets or desires vary from one person to another depending on various factors. Some targets or desires are achieved in a short period of time while others are achieved after a long period of time.

### A. Meaning and importance of setting personal goals for self-development

#### Share your experiences

- What targets do you have for yourself?
- When do you plan to achieve these targets?
- What can you do to achieve these targets?

#### Learning task 1

The following is the diary of a Grade 7 learner. Read it and answer the questions.

My Goals for This Week	
1.	I will finish my homework before supper each day.
2.	I will practise and solve one mathematical problem every day.
3.	I will learn a new word every day to improve my vocabulary.

#### Questions:

- Why do you think the learner came up with the goals or targets?
- How will setting goals or targets help the learner improve himself or herself?
- Explain the meaning of a goal.

#### Learning task 2

Read the following story and answer the questions.

Kamau had a dream and a desire to become a doctor when he grows up. He wanted to become a doctor so that he could help the people in his village get good healthcare services.

Kamau shared his vision with his parents and his teachers. His parents promised to help and support his goals. The teachers guided him about the subjects he needed to do well in order to become a doctor.

Kamau wrote down short-term goals that helped him achieve his long-term goal of becoming a doctor. He wrote them on two pieces of paper and posted them in his room and on his classroom desk.

Setting goals, helped Kamau become more organised and responsible with his time. He did not spend much time watching television and playing video games. As Kamau achieved one goal after another, he became more confident following the clear path that his goals created. He was on the right path to achieving his goal of becoming a doctor. After a few years, Kamau finished his secondary education and joined the university to study medicine. He later on graduated as a medical doctor and is currently working as a doctor.

### Questions:

1. What goal did Kamau want to achieve?
2. What did Kamau do to achieve his goal?
3. Identify the two types of goals mentioned in the story.
4. How did setting short-term goals help Kamau achieve his long-term goals?

### Discuss and present

1. From Learning Task 1 and 2, discuss the meaning of personal goals.
2. Discuss why Kamau decided to set goals for himself.
3. Mention other importance of setting personal goals.
4. Share your findings in class.

### Key learning points

- (a) A goal is an aim that someone tries to achieve through hard work and planning.
- (b) A personal goal is an aim that is meant to motivate a person to achieve what they want in life. They can be short-term or long-term goals.
  - (i) A short-term goal is something you want to do in the near future (12 months or less).
  - (ii) A long-term goal is something you want to do further in the future (more than 12 months).



- (c) Setting personal goals is important for self-development in the following ways.
- (i) Provides a clear path to success. When one sets goals, they give him or her the steps to follow so that tasks are completed according to importance.
  - (ii) Helps improve time management and organisation skills. If one knows exactly what he or she wants to achieve and the steps required to achieve it, there is less room for delaying or postponing.
  - (iii) Increases motivation. When we achieve one short-term goal after the other, we become motivated and work even harder.
  - (iv) Measures progress. Setting clear goals makes it easier for one to track his or her progress.
  - (v) Gives focus and purpose. Setting goals determines a clear pathway to success, allowing one to focus on what needs to get done.
  - (vi) Boosts self-confidence. When one starts making progress towards achieving his or her goals, one starts to believe in themselves and become more confident.



### Further learning task

1. Find out some of the goals your parents, guardian or family members have set for themselves.
2. Find out why the goals they have set are important to them.
3. Share what you find in your class groups.

## B. Factors to consider when setting personal goals for self-development

### Learning task 3

1. Read and analyse the following scenarios.

Teka and Tofu are two brothers. They are normally given pocket money of 50 shillings on weekdays when they go to school. Their parents give them this money to help them buy break time snacks while at school. One day, while Teka and Tofu were walking home from school, they saw two nice watches. The watches were on display in one of the electronic shops in the local market. The watch cost 500 hundred shillings.

Teka set a goal to buy one of the watches. He wanted to save all of his pocket money every day so that he could buy the watch after only two weeks. Every day, Teka saved all of his pocket money. He did not buy any break time snack.

Every break time, Teka went hungry. He could not bare the hunger and decided to use the money he had saved.

Tofu also wanted to buy one of the watches. He decided to save half of his pocket money to buy the watch. After four weeks he had saved enough money to buy the watch. He used the remaining half of his pocket money to buy snacks during break time. He did not go hungry.

2. Answer the following questions:

(a) What personal goal did Teka and Tofu set for themselves?

(b) Between the two siblings, who do you think achieved his goal? Why?

(c) Use the following factors to discuss the goals set by Teka and Tofu.

(i) Achievable                      (ii) Realistic                      (iii) Time-bound

**Hint:** You can use the dictionary first.

(d) What other factors should we consider when setting personal goals?

### Learning task 4

Read the following conversation and answer the questions that follow.

Tito: Hello, Chengo. Yesterday, I measured my weight and realised that I am overweight.

Chengo: It looks like the holidays were good to you.

Tito: I made a goal for myself to improve my health and fitness level. My goal is to loose five kilograms in one month.

Chengo: How do you plan to achieve that goal?

Tito: I will remove unhealthy foods from my diet and start eating healthy meals.

Chengo: That is a good start.

Tito: I will also do some exercises like running, jogging and cycling.

Chengo: That sounds fun. I will be joining you from time to time.

Tito: That would be great. I will also be measuring my weight every Saturday to track my progress.

Chengo: I like your plan. You are sure to achieve your goal within your time limit.

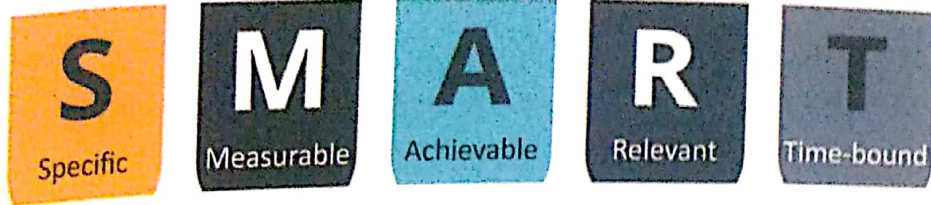
#### Questions:

1. What is Tito's goal?
2. How will Tito's goal improve his health?
3. What makes Tito's goal a good goal?



## Discuss and present

1. The following are some of the factors we should consider when setting personal goals. Read them out loud.



2. Work in groups and discuss each factor.
3. Share your discussion with the class. Use examples to help the rest of the class understand.

### Digital task

1. Watch the video in the link provided and learn the factors to consider when setting personal goals. <https://tinyurl.com/5fsu8t3k>
- OR
2. Find Life Skills or CRE textbooks from the library to do this task.
  3. Share what you learn with your parent, guardian or a friend.



### Mind Spot

1. Read the following story.

Sandra and Limo are two smart Grade Seven learners. However, they are always afraid to raise their hands and answer questions in class. Whenever the teacher gives out a group discussion, the two learners hardly say anything to contribute in their groups. Yet they always have good ideas and know the answers to most of the questions.

One day, the teacher gave Sandra and Limo an assignment. He asked them to set personal goals that will help them overcome their fear. The two learners set the following long-term goal for themselves:

*"I will be confident enough to speak in front of the class by the end of the school term."*

2. The following table is a list of the short-term goals set by Sandra and Limo to help them achieve their long-term goal. Study them closely.

Personal goals	The factors considered
(a) I will raise my hand when the teacher asks questions in class.	Relevant
(b) I will raise my hand at least five times in a week to answer questions.	Measurable
(c) I will keep a record of all the times I raise my hand in class.	Time-bound
(d) I will gain more confidence in what I know and in public speaking.	Specific
(e) I will count the times I raised my hand in class on Friday after school.	Achievable

3. Match the correct factor that the learners considered in setting each personal goal.

### Key learning points

- (a) When setting personal goals, one must consider the following factors that help increase the chances of achieving the goals set.
  - (i) **Specific:** The goal should be very precise with no room for misinterpretation.
  - (ii) **Measurable:** The progress of the goal set should be easy to follow.
  - (iii) **Achievable:** The goal should be attainable. Set goals that can actually be done.
  - (iv) **Relevant:** The short-term goals should contribute to your broader goals.
  - (v) **Realistic:** Goals should relate to your personal strengths and abilities.
  - (vi) **Time-bound:** The goal should have a defined start and end date.
- (b) We can use a short term to remember these factors. SMART.
- (c) Other factors such as resources should also be considered in setting goals that need specific resources to be achieved.
- (d) We should set goals that are relevant to us or goals that help improve our lives and ourselves as human beings.



## C. Setting personal goals for self-development

### Learning task 5

1. The children below want to set personal goals for self-development.

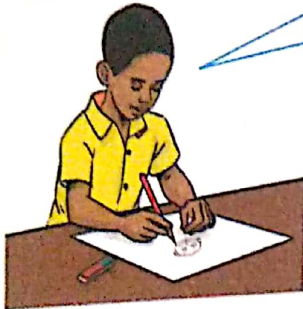
**Tina**



Hello! My name is Tina. I want to be a Business Studies Teacher when I grow up. However, I am very weak in the following subjects: Mathematics, English, Kiswahili and Business Studies.

Help me set a personal goal that can help me improve in the subjects and achieve my dream.

**Tofu**



Hi, my name is Tofu. I love to draw. My dream is to become an artist when I grow up.

Help me set personal goals that can help me improve my drawing skills.

**Hint:** Use SMART to help the learners.

2. Use the following to help Tina and Tofu to set their goals.

Name: _____		Date: _____	
Personal goal (Long-term): _____ _____			
Short-term goals:	Routine Review		
	Tick (✓)	Achievements	Date achieved
How I have improved or developed myself: _____ _____ _____			

3. Present the goals you have set in class.



## Learning task 6

Read the following story and answer the questions that follow.

It was the beginning of a new school year. Abel wanted to join the athletics team in his school. He went to the teacher in charge of the team and asked to join the team. The teacher told Abel to run one lap to prove that he could be an athlete. Abel ran for only ten minutes before he started breathing heavily. His heart was pounding so fast and he was dripping with sweat. Abel had to stop running and sit down. The teacher told Abel that he did not qualify to join the athletics team but he could continue training and come for trials later.

Abel was disappointed but he did not give up. The athletic competitions were only a month away. Therefore, Abel asked his father to help train him to join the team before the competitions. Abel and his father created a daily training schedule using a computer software. The software reminded him on the times to train every day. His father gave him his smartphone and a stopwatch so that he could track the distance and time he ran every day. The ICT devices he used helped him to measure his improvement and his fitness level.

### Questions:

1. What goal did Abel set for himself?
2. Is the goal a SMART goal? Give reasons for your answer.
3. What tools did Abel use for setting goals?
4. How can we use ICT tools for setting goals?



### Mind Spot

1. Answer the following questions:
  - (a) What do you want to achieve at the end of the school term?
  - (b) What career or job do you want when you grow up?
2. Use the answers to the questions above to set SMART personal goals.
3. Write your goals in your exercise book or record them on any appropriate ICT device available to you.
4. Present your goals in class.
5. Describe how the personal goals you have set will contribute to self-development.

## Key learning points

- Technology has provided tools or devices that we can use for setting personal goals.
- Information and Communication Technology (ICT) devices like computers, smartphones, and smartwatches and software programs can help us in setting goals to improve our lives.
- They can help us set measures to track our goals. They can also remind us on the times we should be doing an activity that was planned through alarms and schedules.

## Further learning task

- With the help of your parent, guardian or digital devices find out some of the ICT devices we can use for setting personal goals.
- Practice using the ICT devices to set personal goals.
- You can also use your exercise book to set personal goals.
- Share what you learn with your class group.

## Assessment Questions

- What is the meaning of the term 'personal goals'?
- State and explain five reasons why setting personal goals is important.
- Analyse the factors to consider when setting personal goals.

## Self-assessment

Tick (✓) in the boxes of the progress checklist below correctly. Seek guidance from your teacher where necessary.

Outcome	Yes	No
1. I can explore the meaning and importance of setting personal goals for self-development.		
2. I can analyse the factors to consider when setting personal goals for self-development.		
3. I can set personal goals for self-development.		
4. I can use ICT devices or exercise books for setting personal goals for self-development.		

I should improve and do better in the following areas: .....

## 1.4 Talents and Abilities

We all have abilities and talents that make us different from each other. Many of us use the words talent and ability to mean the same thing. However, these two words are different. In this sub strand, we shall learn how to differentiate and identify talents and abilities.

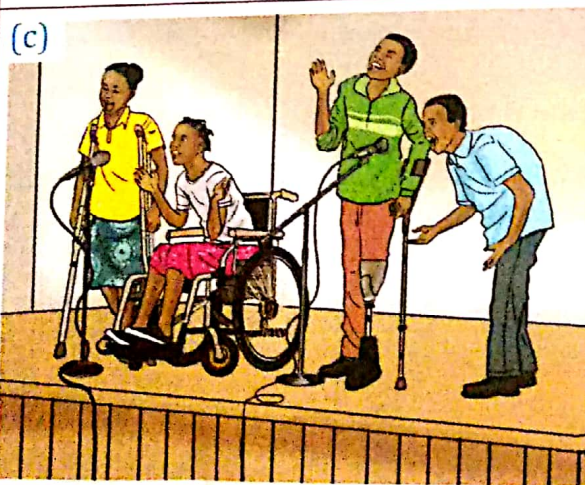
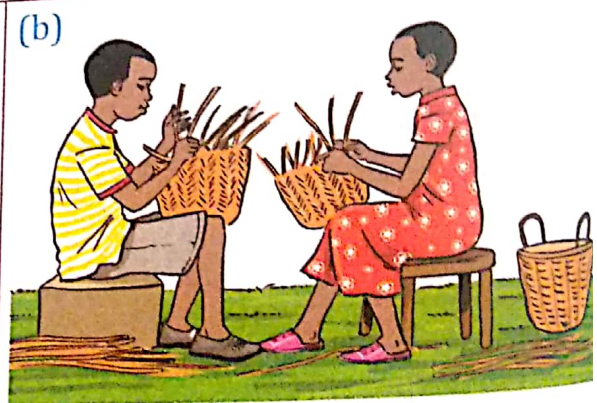
### A. Distinguishing between talents and abilities of learners in school

#### Share your experiences

- What skill do you have that you were born with?
- What skills do you have that you learnt?
- Describe the two skills in class.
- From the skills you have mentioned:
  - which skill is a talent?
  - which skill is an ability?

#### Learning task 1

Study the following pictures and discuss the questions that follow.



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### Questions:

1. Identify the skills demonstrated in the pictures.
2. Which of the skills shown in the pictures is a talent or an ability? Give reasons for your answer.
3. Using your discussion, define the following terms:  
(a) talent (b) ability
4. Mention other talents and abilities that you know or have experienced.

## Learning task 2

Read the following conversation about the difference between a talent and an ability.

Tiza: Hello, Juli. Have you prepared for the talents and abilities show for the Monday lesson?

Juli: Yes, I have. I have written an interesting story to read in class. Writing is my talent.

Tiza: Huh! Is that not an ability?

Juli: No. That is my talent. I love writing stories to entertain people.

Tiza: I remember the teacher taught us that a talent is a skill that we are born with. For example my talent is dancing. My parents told me that I started dancing when I was just four years old.

Juli: You are right. I attend writing classes every week to be taught how to write good stories. I also put in a lot of effort to write good stories.

Tiza: I also go to dancing school but not to be taught but to improve and learn new dance styles.

Juli: I see your point. I know what talent I will demonstrate.

Tiza: Tell me!

Juli: I will tell jokes to make people laugh. My talent is comedy. My friends always tell me that I am funny. I always say things that make them laugh.

Tiza: Yes! Now you have gotten it. That's your true talent. Let us practise what we will present.

### Questions:

1. Identify the talents and abilities discussed in the conversation.
2. Identify the differences between talents and abilities as explained in the conversation.
3. How else can we differentiate between talents and abilities?



1. Discuss and complete the following table to distinguish between a talent and an ability.

Talent	Ability
(a) A talent is an inborn skill.	
(b) _____	Ability requires time and effort to be developed.
(c) Talent is hidden and needs recognition.	Ability requires development.
(d) Talent requires coaching to nurture it.	_____

2. Share and your understanding of each differences in your groups.



**Mind Spot**

1. Match the following skills correctly.

swimming

welding

drawing

acting

Talent

Ability

2. Share and compare your work with a classmate.

## Key learning points

- (a) A talent is an inborn or natural ability to be good at something, especially without being taught. It is something you are naturally good at and enjoy doing, like drawing, singing, dancing, among others.
- (b) An ability is the skill to do a particular task that is acquired through learning, training or practice.
- (c) The following are the differences between a talent and an ability.
  - (i) Talent is an inborn special skill while ability is a skill that is acquired by a person through training and experience.
  - (ii) Talent is a God given gift while ability is a skill in which you put your time and effort to develop.
  - (iii) Talent is often possessed by a few people while ability can be acquired by any person who is interested.
  - (iv) Talent requires coaching while ability requires training.
  - (v) Talent is hidden and needs recognition while ability requires development.



## Further learning task

1. With the help of your parents, guardian or any family member:
  - (a) Identify your talents and abilities.
  - (b) Discuss how your talents and abilities can help you in the future.
  - (c) Identify people with special talents and abilities in your community.
  - (d) Find out how they use their talents and abilities in their lives.
2. Present your findings in class.

## B. Ways of nurturing talents and abilities

### Learning task 3

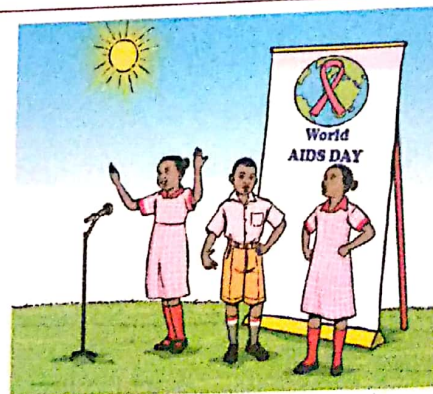
Study and discuss the following pictures.

(a)



Learners performing a folk dance

(b)



Learners reciting a poem

### Questions:

1. What is happening in the pictures?
2. Identify the talents and abilities being demonstrated in the pictures.
3. How are the talents and abilities of the learners in the pictures being supported?
4. How can the events in the pictures promote businesses?
5. Mention some of the ways of promoting talents and abilities.

### Learning task 4

Read the following article and discuss the questions that follow.

In 2020, the Turkana County government and the local people organised the annual Tourism and Cultural festival known as 'Tobong' Lore. The festival is usually aimed at showcasing the different talents and abilities of the people of Turkana. They advertised the event in all major radio and television stations.

When the day came, people from different parts of Kenya attended the festival. The hotels around Turkana were fully booked that some people were even forced to use tents. Learners from different schools in the county performed different traditional songs and dances. Some recited poems and dramatised interesting stories.

The festival was successful and the County Government paid different people who participated in the festival. Turkana County was also showcased to the people of Kenya and the world at large.

### Questions:

1. Identify the talents and the abilities mentioned in the news article.
2. Discuss the way the Turkana County government nurtured talents and abilities.
3. How did nurturing talents and abilities benefit the businesses in the county?

### Discuss and present

1. Discuss how the following people encourage your talents and abilities:
  - (a) teachers and school
  - (b) parents or guardians
  - (c) community.
2. Discuss on ways of nurturing talents and abilities for business purposes.
3. Present your findings in class.



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## Mind Spot

Read the following statement.

"We want our employees to become excited, skilled and be able to transfer the excitement to our customers as well."

Questions:

1. What do you think the statement means?
2. Use the statement to explain how nurturing talents and abilities can help a business.

## Key learning points

- (a) Nurturing talents and abilities involve offering ways to promote and encourage people to develop their skills and demonstrate their talents.
- (b) Everyone has a talent. However, it is important to be in environments that help us discover them as early as possible.
- (c) Once we have identified our talents and abilities, we should demonstrate and improve them as much as possible. Skills need to be practised and improved for them to be helpful in our lives.
- (d) We can nurture skills by engaging in activities like talent shows, creating clubs like drama, music and journalism among others. Sports teams can also help in nurturing sports skills.
- (e) In a business environment, employees can encourage the workers to be creative and share their skills and ideas. They can also provide skills development programs that help the employees to improve and acquire more skills.
- (f) Nurturing talents and abilities in a business motivates and encourages people to be more productive. This can improve different areas of the business and make it profitable.



## Further learning task

With the help of your parents, guardians or any family member:

1. Find out how talents and abilities are applied in businesses.
2. Find out how promoting and nurturing talents can help a business.
3. Share your finding with the class.





## Mind Spot

Read the following statement.

"We want our employees to become excited, skilled and be able to transfer the excitement to our customers as well."

Questions:

1. What do you think the statement means?
2. Use the statement to explain how nurturing talents and abilities can help a business.

## Key learning points

- (a) Nurturing talents and abilities involve offering ways to promote and encourage people to develop their skills and demonstrate their talents.
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## Further learning task

With the help of your parents, guardians or any family member:

1. Find out how talents and abilities are applied in businesses.
2. Find out how promoting and nurturing talents can help a business.
3. Share your finding with the class.

## C. Demonstrating personal talents and abilities in school

### Learning task 5

1. Discuss different ways learners can demonstrate their talents and abilities in school and the community.
2. Why should we demonstrate our talents and abilities?



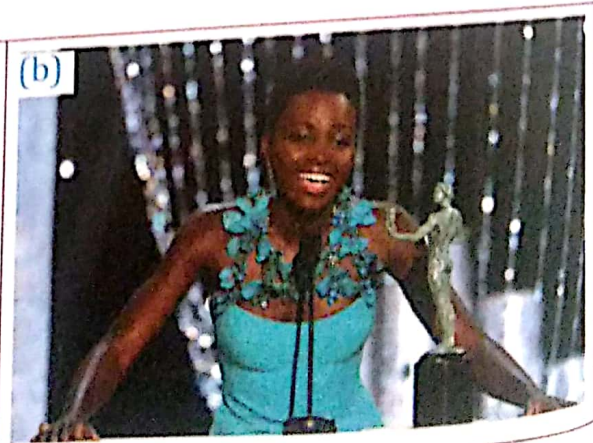
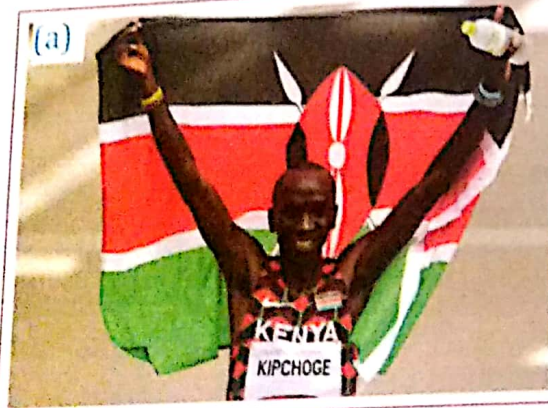
### Further learning task

1. Identify one talent or ability that you have.
2. Make a costume and anything else that you can use to demonstrate your talent or ability.
3. Ask for assistance from your parent or guardian or any family member.
4. Practise and demonstrate your talent and ability in any of the following places and events:
  - (a) class
  - (b) assembly
  - (c) during parents' day
  - (d) clubs or societies.

## D. Relating talents and abilities to career opportunities in the world

### Learning task 6

Look at the people in the following pictures and discuss the questions that follow.



Questions:

1. Do you know any of the people in the pictures?
2. Identify their careers and how they use their talents to earn income.
3. Discuss the talents required for the above career opportunities.
4. Mention other people you know that have used their talents or abilities in their careers.



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## Learning task 7

1. Listen to the resource person your teacher will invite to class.
2. Note down everything you learn about talents, abilities and career opportunities.
3. Ask the resource person anything you would like to know about careers, talents and abilities.
4. Share what you learn with your parents or guardian.

## Learning task 8

Read the following story and answer the questions that follow.

Tina and Sandra are siblings. Their father bought a simple desktop computer to use for his job while at home. He was a writer. He wanted to have a digital device that would help him develop and write stories as fast as possible. The computer would also help him in storing his short stories for future publishing.

Tina and Sandra wanted to know how the computer worked. They asked their father to show them. Every Friday evening and on weekends, father would teach his daughters how to operate the computer. The two siblings were quick learners. By the time they were in Grade 12, they had become experts in operating computers. They also signed up for Computer Studies classes and learnt coding skills.

Tina and Sandra's ability to understand how computers work helped them choose their careers for the future. They continued to improve on their skills and became experts. Tina grew up to become a computer scientist. Sandra studied for an Information Technology degree.

### Questions:

1. What are the talents or abilities described in the story?
2. Discuss how these talents or abilities influenced the careers of Tina, Sandra and their father.
3. How do you think computer skills are related to the careers that Tina and Sandra chose?

### Discuss and present



1. Discuss how talents and abilities influence the careers people choose.
2. Discuss the careers you can pursue with the talents and abilities you have.
3. Share your discussion in class.



## Mind Spot

1. Read the following scenario and answer the questions that follow.

A school in Kimoto Village is well known for nurturing and encouraging the talents and abilities of its learners. They are the best in co-curricular activities in the region. The school wanted to update the old books in their library and replace them with the new curriculum books. However, the school does not have enough money to buy the books needed.

### Questions:

- (a) How can the learners use their talents and abilities to help the school raise money for the library?
- (b) Mention the importance of nurturing talents and abilities in generating an income.
2. Match the following talents and abilities to their possible career opportunities.

Talents and abilities	Careers
(a) Drawing	An athlete
(b) Singing	A comedian
(c) Running	An engineer
(d) Acting	An artist
(e) Designing and inventing things	An actor or actress
(f) Comedy	A singer

3. Compare what you have done with your classmates.

### Key learning points

- (a) Identifying our talents and developing abilities helps us to realise the careers we can pursue in the future.
- (b) Apart from having the knowledge to do something, we should also develop the skills required to perform various tasks.
- (c) Having the right abilities to do a job is an important aspect of a person's career.
- (d) Having the talent to perform the task makes the job more enjoyable since one naturally has the skill needed to perform the tasks.
- (e) We can use our God given talents and abilities to earn a living.

## Further learning task

1. Ask your parents, guardian or any family member how their talents and abilities helped them in choosing their careers.
2. The following are some of the common abilities that almost all jobs require a person to have:
  - (a) computer skills
  - (b) communication skills
  - (c) time management skills.With the help of your parent or guardian, find out why are these skills important in careers?
3. Share your work in class.

## E. Ethical issues related to the use of talents and abilities in business

### Learning task 9

Read the following story and answer the questions that follow.

Kijua is naturally gifted in mathematics. He loved numbers and solving mathematical problems was effortless for him. During the holidays, his uncle asked Kijua's parents to allow him to work as a kiosk attendant in one of his shops. Kijua was happy to help his uncle to run one of his businesses. At the kiosk, Kijua helped his uncle to account for everything in the shop. He recorded all the goods in the store and the goods that were sold.

One day, Kijua spilled ten litres of cooking oil. When he realised his mistake, he panicked. He did not want to get into trouble with his uncle. Kijua decided to use his skills in mathematics and wrote in the kiosk book that the cooking oil was sold out. At the end of the month, Kijua's uncle took all the kiosk books to study the performance of the kiosk. After analysing the books, he realised that there was a difference between the amount in the bank and the amount recorded in the books. He asked Kijua to explain, Kijua felt bad for what he had done. He knew it was wrong. He had no choice but to tell his uncle the truth.

#### Questions:

1. What is Kijua's talent or ability?
2. How did Kijua use his talent or ability to help his uncle at his shop?
3. From the story, what did Kijua do that was wrong?
4. Did Kijua use his talent or ability correctly.
5. What was the right thing that Kijua should have done after spilling the cooking oil?
6. Using the story, explain the term ethics.

7. Suggest other ethical issues that can be experienced when using our talents and abilities in business.

### Key learning points

- (a) Ethics is a set of beliefs about what is morally right and wrong.
- (b) The following are some of the ethical issues relating to the use of talents and abilities in business:
- (i) Discrimination – In a business environment, people should not be advantaged or disadvantaged according to the talents and abilities they do or do not have.
  - (ii) Harassment – We should not use our talents and abilities to treat people who do not share the same talents and abilities unfairly.
  - (iii) Unethical accounting – We should not use our talents and abilities to mislead or give out false information. For example in the case of Kijua in Learning Task 11.
  - (iv) Nepotism and favouritism – Nepotism is when someone is given an advantage for being a family member. Favouritism occurs when a person is treated better than others because of one reason or the other.



### Further learning task

With the help of a parent, guardian or any family member:

1. (a) Describe the following ethical issues related to the use of talents and abilities in a business environment.
  - (i) nepotism
  - (ii) favouritism
- (b) Find out how it can affect a business environment.
2. Present your findings in class.

### Assessment Questions

1. Define the following terms:
  - (a) a talent
  - (b) an ability.
2. State four differences between talents and abilities.
3. Give four examples of talents and abilities.
4. What are some of the ways the school can nurture talents and abilities?
5. State three importance of nurturing talents and abilities in business.



6. What career opportunities are related to talents and abilities?
7. List some of the ethical issues related to the use of talents and abilities in business.

### Self-assessment

Tick (✓) in the boxes of the progress checklist below correctly. Seek guidance from your teacher where necessary.

Outcome	Yes	No
1. I can distinguish between talents and abilities of learners in school.		
2. I can identify ways of nurturing talents and abilities for business purpose.		
3. I can demonstrate personal talents and abilities in school.		
4. I can relate talents and abilities to career opportunities in the world.		
5. I can identify ethical issues related to use of talents and abilities in business.		

I should improve and do better in the following areas:

.....

.....

## 2.1 Business Activities

In strand 1, we learnt what a business is and its primary goal. A business carries out various activities so that it can make profit. One of these activities involves providing goods and services that consumers require. As a business person, one must ensure that these goods and services are available in the market for their business and find out what the customer needs before making them available. Failure to do so may lead to losses and eventually the closure of a business.

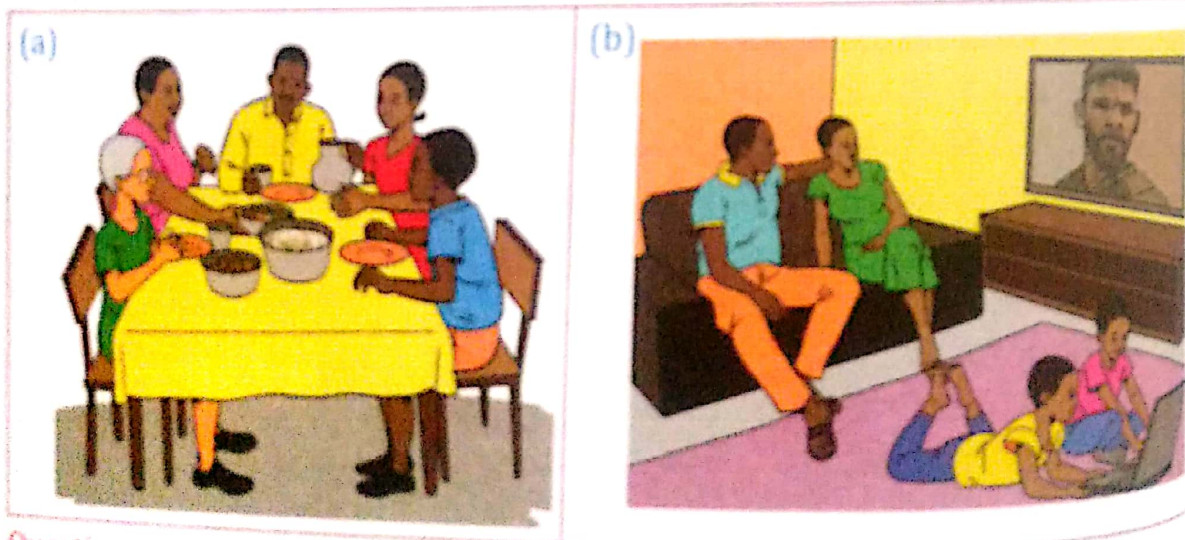
### A. Needs and wants as used in Business Studies

#### Share your experiences

What are some of the things you think a human being must have in order to stay alive?

#### Learning task 1

Study the following pictures and discuss the questions that follow.



#### Questions:

1. What is happening in the pictures?
2. From the pictures,
  - (a) what things must we have to live?
  - (b) what things can we live without?



3. Use your answers in Question 2 to complete the following table.

Our Needs	Our wants
(a) A house or shelter	(b) A television

## Learning task 2

Read the following story and answer the questions that follow.

For a long time, Mr Dalmas and his wife have struggled to provide for their family. Wages from Mr Dalmas' humble jobs can only manage to afford the family what they need to survive. Mr Dalmas always uses the little money he makes to buy food, pay for rent, buy some simple clothes and pay school fees for his children. However, Mr Dalmas still believes in his dream of making the lives of his family better and more comfortable. He, therefore, works very hard.

Next to Mr Dalmas' home lives Mr Havi and his family. Unlike Mr Dalmas, Mr Havi can afford his family's needs and desires. Just a few weeks ago, he bought expensive toys and clothes for his children. He also transferred them to an expensive private school in the outskirts of the town. Mrs Havi drives the children to school every morning and picks them up every evening. Over the weekends, Mr Havi's children always invite Mr Dalmas' children to play video games using a PlayStation and a big-screen television. They also use the Wi-Fi internet installed in Mr Havi's house to go online and play more fun games.

### Questions:

- What are some of the needs and wants mentioned in the story?
- How can you differentiate a need from want?
- Imagine you want to open a business in your community. Which of the following businesses would you start? Explain why.
  - A business that sells needs
  - A business that sells wants
  - A business that sells both needs and wants.

### Discuss and present



- Discuss and complete the following table using the differences between wants and needs.

Needs	Wants
(a) They are required for human beings to live.	_____
(b) _____	They change over time.

(c) All people have the same basic needs.	_____
(d) _____	Lack of wants may result in disappointment.
(e) They include clothes, shelter and food.	_____

2. Share your completed table with the class.



**Mind Spot**

1. The following are some of the things that we commonly use in our lives.

 <p><b>Group A</b></p>	 <p><b>Group B</b></p>
--	---

- Identify the group that has wants and the group with needs?
- Pick and explain why we need or want the things in the pictures.

**Key learning points**

- A business should provide things that people need and want to make a profit.
- A need is a good or a service that a person must have to live. As humans, we have basic needs such as shelter, food and clothing.
- Without these needs, we can fall sick, causing us to require products like medicine and services like healthcare. Extended lack of basic needs can lead to death.
- A want is a good or a service that a person would like to have but not for survival. Therefore, we can live without wants.
- Wants are unlimited. This means that human beings cannot get enough of their wants.



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- (f) Wants keep on changing and increasing as we progress in life. On the other hand, needs remain the same.
- (g) Sometimes we can mistake a want for a need. For instance, clothes are needs, but expensive designer clothes are wants.
- (h) We should learn to differentiate our needs and wants to live efficiently and within our means.
- (i) A business develops and provides products and services to satisfy its customers' needs and wants.

**Note:** Just because we, as humans, require needs more than wants, it does not mean that wants are less valuable in our lives.

### Further learning task

1. With the help of your parent, guardian or any family member:
  - (a) list some items that you commonly buy at home and for school.
  - (b) group each of the items in your list as either a need or a want.
2. Present your table in class and explain why you need or want the items listed.

## B. Scarcity, choice, scale of preference and opportunity cost

### Learning task 3

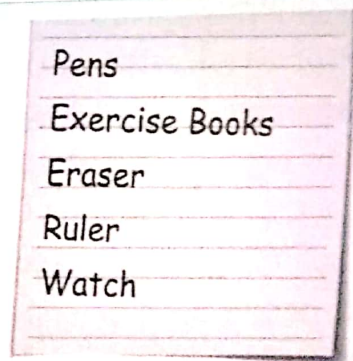
Read the following story and answer the questions that follow.

Mike is in Grade 5 at Kuleta Primary school. He asked his parents for Ksh 200 to buy some school supplies. He wrote a list of all the items he wanted to buy and walked to a nearby kiosk.

Mike read his shopping list as the kiosk attendant brought the items.

"Those will cost you Ksh 400. Ksh 70 for the books, Ksh 40 for the eraser, Ksh 90 for the ruler and Ksh 200 for the watch," the kiosk attendant said.

Mike's smile turned upside down. The money he had was only half of the money he needed to pay for the items on his list. Mike decided to pick only the items that he needed most using the money he had.



#### Questions:

1. What items did Mike want to buy?
2. Did Mike buy all the items in his list? Explain.
3. If you were Mike, what items would you choose to buy? Explain why.

4. Make a list of the items you would choose to buy from the list.
5. How would the list help Mike make a choice?

## Discuss and present

1. Use the answers you gave in Learning task 3 to discuss the following terms:  
(a) scarcity (b) choice.
2. How do the concepts above affect the ability of a consumer to satisfy their needs and wants?
3. Present your discussion to the class.

### Learning task 4

Read the following conversation and answer the questions that follow.

The employees at Carpenters United have a meeting to discuss and organise the activities of the day.

**Carpenter 1:** We should start making beds. Lately, many customers have been asking for beds. We will make a lot of money if we satisfy the needs of our customers.

**Carpenter 2:** I agree. However, we have a huge order from Kongole Junior Secondary School to make desks and chairs. We should focus the resources we have on making desks.

**Carpenter 1:** But we can make more profit of over Ksh 200,000 by selling beds than desks. I think we can divide the timber into two piles, one for making beds and the other for desks.

**Carpenter 2:** That is a good idea.

**Carpenter 1:** We will make money from both.

**Carpenter 2:** However, if we divide the timber, we will not be able to make the required number of desks. Also, we do not have enough time and money. Our resources are limited.

**Carpenter 1:** I did not think of that.

**Carpenter 2:** Let us just stick to making desks. We will have to forego the profits we would have made from the beds.

**Carpenter 1:** I understand. I wish we had enough resources. We would have made a lot of profit from our furniture.

**Carpenter 2:** True, but remember, resources are always limited. Therefore, we should use the resources available to do the things that are more important first.

#### Questions:

1. Why did the carpenters choose to make desks instead of beds?



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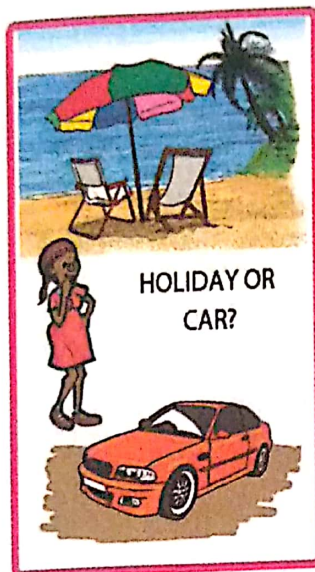
2. What did the carpenters forego by choosing to make desks?
3. What is the meaning of **limited resources**?
4. Identify the limited resources mentioned in the conversation.
5. Describe what you understand by **Opportunity Cost**.
6. Explain how limited resources and a scale of preference work hand-in-hand.



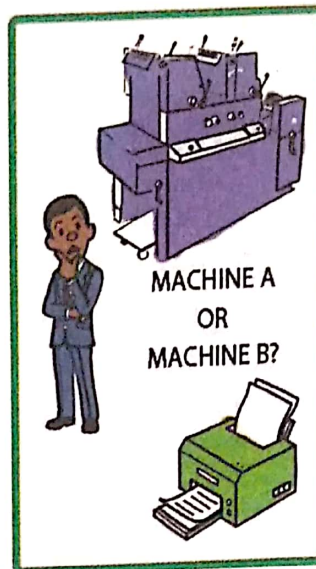
## Mind Spot

Study the following pictures and describe how limited resources influence the choices people make.

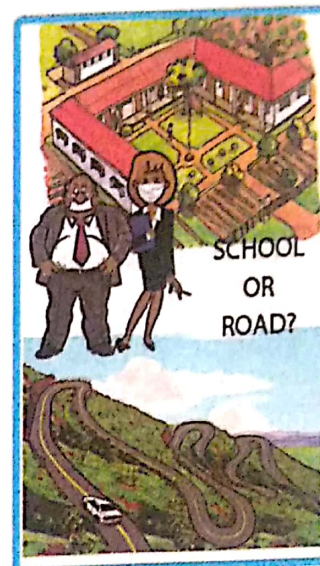
### Individual



### Business



### Government



### Digital task

1. Using any digital device available to you, search and find more information about the following terms.
 

(a) scarcity	(b) choice
(c) scale of preference	(d) opportunity cost.
  2. Provide an example of a business-related situation where you can use the terms above.
- OR
3. You can also use Business Studies textbooks in your school or community library to do your research.
  4. Present your findings in class.

## Key learning points

- (a) Scarcity is the lack of enough resources to acquire goods and services that satisfy a consumer's needs or wants.  
For example, scarcity of money can limit what one can afford at one particular time. Therefore, we must use whatever resources available wisely by selecting goods and services we need most.
- (b) Choice is the ability of a buyer to decide or choose the goods or services to buy from a range of possible options.  
A consumer can be forced to choose between or amongst competing needs or wants. This is due to scarcity of resources.
- (c) A scale of preference is a list of goods and services in their order of importance to the consumer. For example, when going to the supermarket, you can list the goods you want to buy, starting with most to the least important.  
A customer can make and use a list of goods or services that they require to make a choice.
- (d) When a customer picks one item instead of another, they forego the value of the unchosen item. This is known as the opportunity cost. Therefore, Opportunity cost is the next best foregone alternative after choosing another good or service.

**Note:** (i) Scarcity, choice, a scale of preference, and opportunity cost are important in making economic or financial decisions.

(ii) Scarcity, choice, a scale of preference and opportunity cost are all related to one economic fact that resources are limited (not enough) while human wants are unlimited.



## Further learning task

### In your class groups:

1. Use what you have learnt about opportunity cost and limited resources to develop a role-play.
2. Present the role-play in your clubs and societies.



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## C. Preparing a scale of preference

### Learning task 5

Observe what the parents in the following picture are doing.



#### Questions:

1. Can the parents buy all the items on their list? Give a reason.
2. Using the parent's list, what items or bills do you think are the most important to spend on? Explain why.
3. How can the list help the parents satisfy their needs?
4. What do you think the parents considered when making the list?

### Learning task 6

Read the short passage below and answer the questions that follow.

Book Smarts Junior Secondary School is a newly built school in the community. Before admitting learners, the owners and administrators needed to buy some items for the school. The administrators came up with a list of a few things the school needed. They were as follows: furniture at the cost of Ksh 400,000, kitchen equipment at the cost of Ksh 200,000, laboratory equipment at the cost of Ksh 100,000, library books at the cost of Ksh 300,000, and a school bus at the cost of Ksh 1,500,000. Book Smarts School owners had only Ksh 1,000,000 left in the project fund.

#### Questions:

1. Imagine you are part of Book Smarts Junior Secondary School's administration, make a scale of preference list of items the new school should buy. Include the prices as well.
2. Which items did the school fail to purchase? Give a reason.
3. What types of businesses benefited from Book Smart Junior Secondary School?
4. Explain the importance of a scale of preference for the following people:
  - (a) consumer
  - (b) producer.



## Mind Spot

1. As a learner, you have personal needs and wants. List them.
2. Prepare a scale of preference using your personal needs and wants.
3. Give reasons for the order of the items.
4. Share the list you make with your classmate.

### Key learning points

- (a) Preparing a scale of preference involves arranging wants in their order of importance.
- (b) When preparing a scale of preference, one should know the resources available and the wants and needs required.
- (c) Making a scale of preference helps a person to:
  - (i) decide which goods to buy according to their importance or priority and resources available
  - (ii) manage their finances well by buying only the most important things
  - (iii) efficiently use available resources
  - (iv) make reasonable choices when buying goods
  - (iv) maximise the satisfaction of needs and wants using limited resources.
- (d) A scale of preference can be used by both the consumer and the businessperson to make decisions. For instance, if there is a demand for a particular good, a businessperson can use a scale of preference and compare the scarcity of resources against the demand for the good.

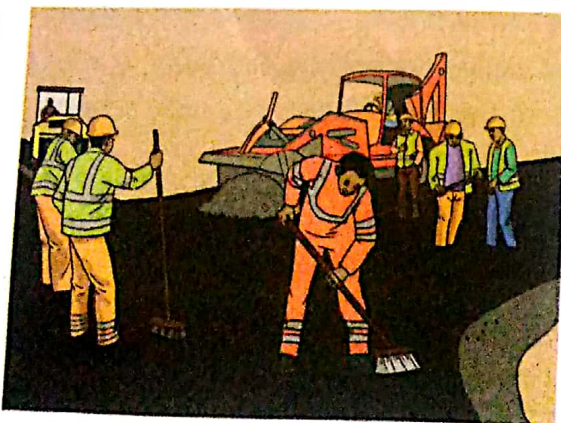
**Note:** When making a scale of preference, needs should come before wants.

## D. Need for business activities for self and the community

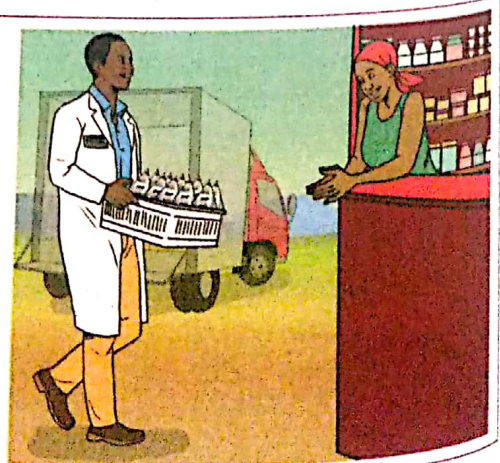
### Learning task 7

Study the pictures and answer the questions that follow.

(a)



(b)



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**Questions:**

1. Identify the activities taking place in the pictures.
2. How can the activities in the pictures benefit a business?
3. Why do you think the activities in the pictures are known as 'business activities'?
4. Explain the importance of the business activities in the pictures:  
(a) to an individual (b) to a community.

**Learning task 8**

**Study and discuss the following business activities.**

(a)



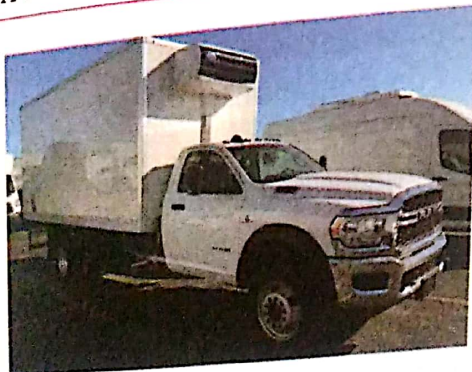
*A worker extracting tea leaves.*

(b)



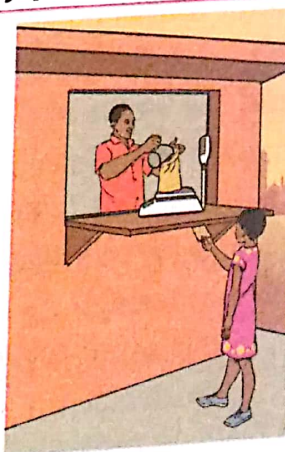
*A factory processing tea leaves.*

(c)



*A vehicle distributing tea leaves.*

(d)



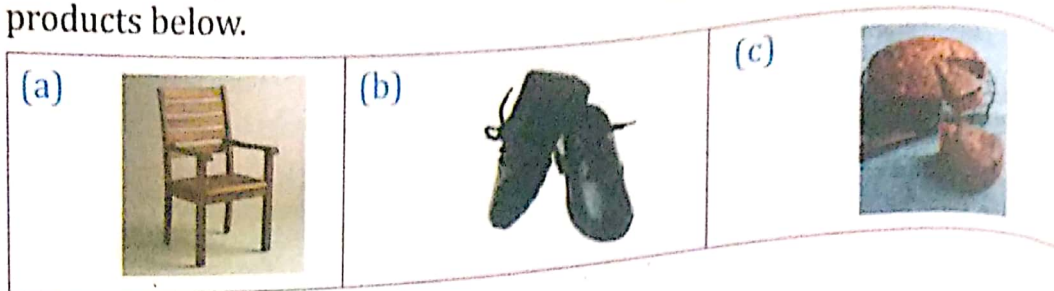
*A customer buying tea leaves.*

1. Use the pictures to discuss the following business activities:  
(a) extraction (b) processing  
(c) distribution (d) trading.
2. How can the activities above help a community and its members?
3. Present your discussion in class.

## Discuss and present



1. Manufacturing is one of the business activities involved in producing the products below.



### Discuss the questions below:

- (a) What is manufacturing?
  - (b) What is the difference between manufacturing and processing?
  - (c) Which other products are produced through manufacturing?
2. Mention other business activities performed to produce the products above and get them to the customer.
3. Write a short report discussing the need for each activity you mentioned to the community.

### Key learning points

- (a) Business activities involve the production and sale of goods and services with the aim of making profit.
- (b) Business activities make it possible for a business to provide and satisfy the needs and wants of the consumers and the community.
- (c) The main business activities include:
  - (i) Extraction – This involves obtaining or removing goods from their natural setting, such as fishing, farming, mining, quarrying and lumbering.
  - (ii) Processing – This involves converting raw materials into more useful products without adding or combining other materials, such as grinding wheat into wheat flour.
  - (iii) Manufacturing – This involves combining different raw materials to develop a final product. For example, a bed is manufactured using wood, glue, nails and varnish.
  - (iv) Distribution and transportation – This involves moving products from where they were produced to where they are needed. This is done by distributors such as wholesalers.
  - (v) Construction – This involves building structures such as stalls, roads, railways, or buildings. Such structures are used in various ways by people in business and the community.
  - (vi) Trading – This involves buying and selling goods and services with the aim of making a profit.



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- (vii) **Provision of services** - This involves providing services to customers at a cost, for example, Internet, communication, banking, warehousing, hairdressing, and teaching.
- (d) The following are the needs for business activities:
- (i) Business activities create employment for self and other people in the community.
  - (ii) Business activities help individuals improve their standard of living due to increased income from the profit earned.
  - (iii) Business activities use available resources within societies to create goods and services.
  - (iv) Business activities help to offer alternative goods that may not be easily available in the community.

### Further learning task

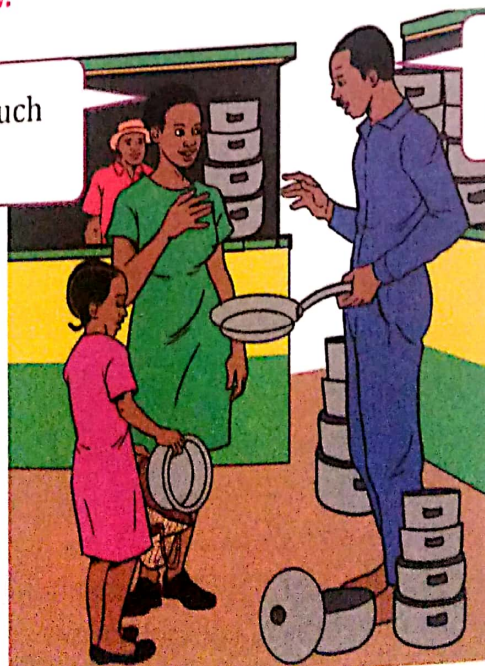
1. With the guidance of your teacher, visit any relevant area in your school or in the community and identify the business activities which take place there.
2. Write a report explaining the benefits of these business activities for your community and the people.

## E. Trading activities in the community

### Learning task 9

Describe what is happening in the following picture and answer the questions that follow.

Mr Koja, how much is this *sufuria*?



The *sufuria* is 500 shillings, Mrs Bora.

### Questions:

1. Why do people exchange goods or services?
2. What can people use to pay for goods and services?
3. Using the picture, what do you think trading means?
4. What name can we call Mr Koja? Give a reason.
5. Other than a customer, what other name can we use to refer to Mrs Horat?
6. Using the picture, explain the role of the following people in business:  
(a) a retailer  
(b) a consumer.

### Learning task 10

Read the passage and discuss the questions that follow.

A sugarcane farmer in Kakamega sells sugarcane to a manufacturing company in Mumias to produce sugar. The manufacturing company sells the packaged packets of sugar to a wholesaler in Kitale. The wholesaler sells the packets of sugar to supermarkets and kiosks in Kitale town. People from different places visit the supermarkets and kiosks to buy packets of sugar.

### Questions:

1. Identify the trading activities in the passage.
2. How many traders can you identify in the passage?
3. List them and give a reason for your choice.
4. Identify the retailers and the consumer mentioned in the passage.

### Discuss and present



1. Inside the clouds are some of the services of retailers to customers.

They link producers and consumers.

They package and provide goods in different sizes.

Provide storage of goods.

They provide products which are mostly needed.

2. Discuss and debate each role. Use examples to explain your understanding.
3. Mention any other roles of retailers that you know.



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1. Use appropriate digital devices or Business Studies related text book to find out how wholesalers can be classified. Give examples for each classification.
2. Share the findings in class.

### Key learning points

- (a) Trading is an activity that involves buying and selling goods and services with the aim of making profit.
- (b) People who are involved in trading activities are called traders. Examples of traders include producers, wholesalers and retailers.
- (c) A retailer buys goods from producers or wholesalers and sells them to consumers at a slightly higher price in order to make profit.
- (d) Retailers exist in two main groups, the large scale retailers such as the supermarkets and small scale retailers such as canteens and kiosks.
- (e) A consumer is a person who buys goods for use, not for reselling.
- (f) The services of a retailer to a customer include:
  - (i) They serve as the link between consumers and producers.
  - (ii) They break goods into smaller quantities for consumers to buy.
  - (iii) They package and grade goods.
  - (iv) They provide the consumer with many products so that they can choose the one that best satisfies their needs.
  - (v) The retailer may provide after sale services like delivery and installation of goods for the consumer.
  - (vi) A retailer at times sells goods to the consumer on credit, thereby providing credit facilities.
- (g) Consumers buy goods from retailers hence enabling them to make their business.
- (h) Retailers are divided into two:
  - (i) small scale retailers - These are commonly ran and owned by one person. They deal with small and fast moving goods like detergents and foodstuffs. Small scale retailers are further divided into two:
    - Small scale retailers with shops such as single shops, tied shops, mobile shops, kiosks and market stalls.
    - Small scale retailers without shops such as automatic vending machines, itinerant traders, open air market traders and roadside sellers.

- (ii) Large scale retailers deal in a variety of goods and mainly operate in urban centres. They include supermarkets, departmental stores, hypermarkets, chain stores, mail order stores.
- (i) A wholesaler is a trader who buys goods in large quantities from producers and then sells them to retailers.
- (j) The services to wholesalers to producers include:
  - (i) They relieve producers some costs such as storage by buying goods in bulk.
  - (ii) They link producers to retailers.
  - (iii) They conduct product promotion on behalf of producers.
  - (iv) They pass feedback from retailers to the producers.
  - (v) They finance the producers by paying for the orders they make.
- (k) The services of wholesalers to retailers include:
  - (i) Breaking bulk of the goods and selling to retailers in small quantities.
  - (ii) Transporting and then distributing goods to retailers' points of operation.
  - (iii) Availing a wide variety of goods from different producers.
  - (iv) Offering discount facilities to the retailers.
  - (v) Passing information from producers to the retailers.
  - (vi) Packing, blending, sorting and grading goods on behalf of retailers.



### Further learning task

1. With the help of a classmate, analyse the trading activities that take place in the following environments:
  - (i) school
  - (ii) community
2. Identify the importance of trading.
3. Share what you learn with your parent, guardian or classmate.

### Assessment Questions

1. State the meaning of needs and wants.
2. Distinguish between needs and wants.
3. Explain the meaning of the following terms as used in Business Studies.
  - (a) Choice
  - (b) Scale of preference
  - (c) Scarcity
  - (d) Opportunity cost
4. What is the importance of a scale of preference in satisfying personal needs and wants?



5. List six types of business activities.
6. Give reasons that make business activities important in the community.

### Self-assessment

Tick (✓) in the boxes of the progress checklist below correctly. Seek guidance from your teacher where necessary.

Outcome		Yes	No
1.	I can distinguish between needs and wants as used in Business Studies.		
2.	I can define the meaning of the terms scarcity, choice, scale of preference and opportunity cost in relation to the satisfaction of consumer needs and wants.		
3.	I can prepare a scale of preference to satisfy personal needs and wants.		
4.	I can justify the need for business activities for self and the community.		
5.	I can analyse trading activities in my community.		

I should improve and do better in the following areas:

.....

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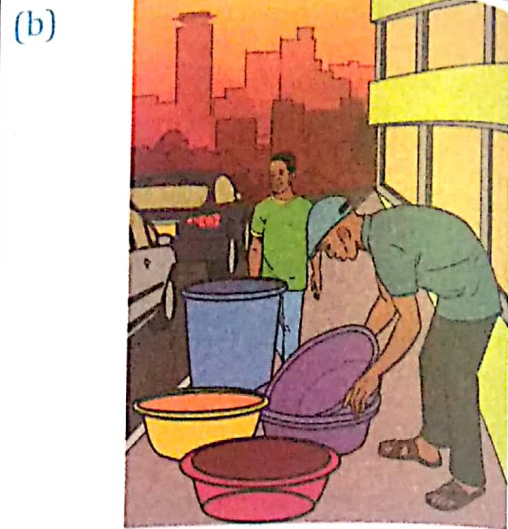
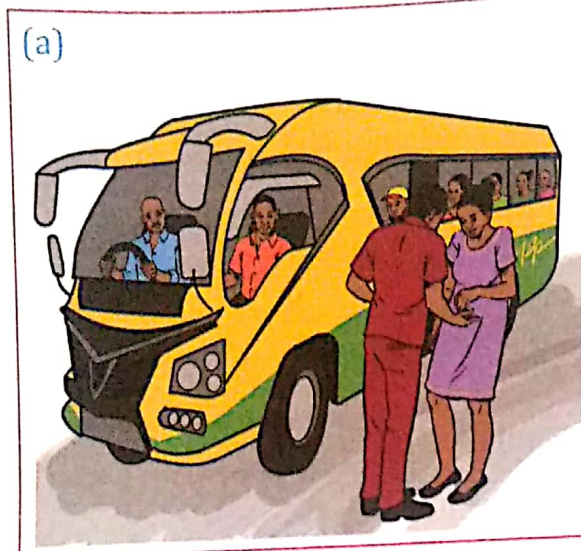
## 2.2 Goods and Services

We have learnt how business activities help in the satisfaction of consumer needs and wants. These needs and wants can be in the form of goods or services.

### A. Types and importance of goods and services

#### Learning task 1

Study the following pictures and discuss the questions.



Questions:

1. What is happening in the pictures?
2. What are the people in the pictures buying and selling?
3. Explain the differences between the things being bought and sold in the pictures.
4. Mention some of the things you buy in your day-to-day life.

#### Discuss and present

1. Use what you have learnt in Learning Task 1 to discuss the following:
  - (a) meaning of a good
  - (b) meaning of a service
  - (c) examples of goods and services.
2. Present your discussion in class.



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## Learning task 2

1. The Business Studies teacher gave Grade Seven learners of Makinda Junior Secondary a research task. The task required them to go to the library and use textbooks and computers to search for information about types of goods and services. Here is what they found.

### Types of goods

(a) **Producer goods and consumer goods**

Producer goods are those goods used in the production of other goods. They include equipment, machines and tools. Consumer goods are goods that are ready to satisfy the needs and wants of consumers. They include food, clothes, utensils, medicine among others.

(b) **Economic goods and non-economic goods**

Economic goods are goods with a price and are generally limited in supply. People must pay a price to obtain them.

Non-economic goods are free goods with no price. These are also known as free goods.

(c) **Intermediate goods and finished goods**

Intermediate goods cannot be used until they are further processed. For example, a cotton dealer sells cotton to a business that transforms it into a textile product.

Finished goods have already been transformed into final products for consumption, such as clothes.

### Types of Services

(a) **Commercial services**

Businesses use these services in conducting various business activities. They include banking, insurance, warehousing, communication services, among others.

(b) **Social services**

These are essential public services. They are provided by the government or other organisations such as non-profit organisations. Social services include services in education, sanitation, medical facilities, housing, and others.

(c) **Personal services/direct services**

These are services provided to an individual according to their personal needs. They include teaching, healthcare, entertainment among others. These services vary from one person to another.

2. Discuss the types of goods and services you have learnt. Give more examples for each one.
3. Why do you think goods and services are important? Discuss.



### Mind Spot

1. The following are the importance of goods and services.

Help to satisfy needs and wants.

They are a source of income.

They are used to produce other goods and services.

2. Read them out loud. Use examples to explain each importance.

### Digital task

1. Use any appropriate digital device to find out information about the following types of goods:
  - (a) perishable goods and durable goods
  - (b) public and private good
  - (c) material goods and non-material goods.
2. Present your findings in class.

OR

3. Use a Business Studies textbook to search for the information you need.

### Key learning points

- (a) Goods are things that we can touch.
- (b) Services refer to the activities that people or organisations do or provide to get paid to satisfy the needs or wants of a consumer.
- (c) There are various ways to classify goods and services. For example, we can categorise them based on who uses them, on the stage of production and economic life.
- (d) The importance of goods and services include:
  - (i) Goods and services help to satisfy consumer needs and wants.
  - (ii) Businesses make money by producing and selling goods and services.
  - (iii) Goods and services ensure the continuity of businesses.
  - (iv) Selling goods and services is a source of income.



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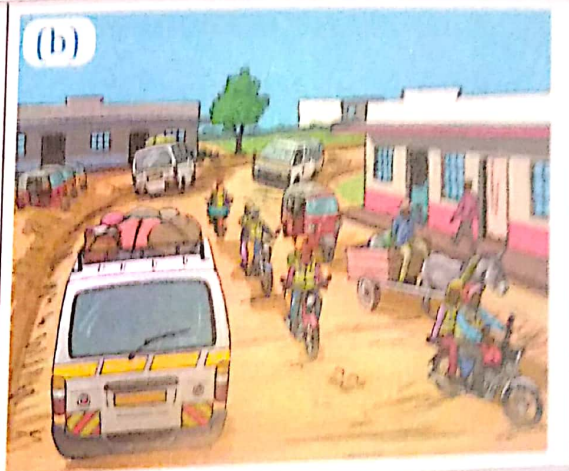
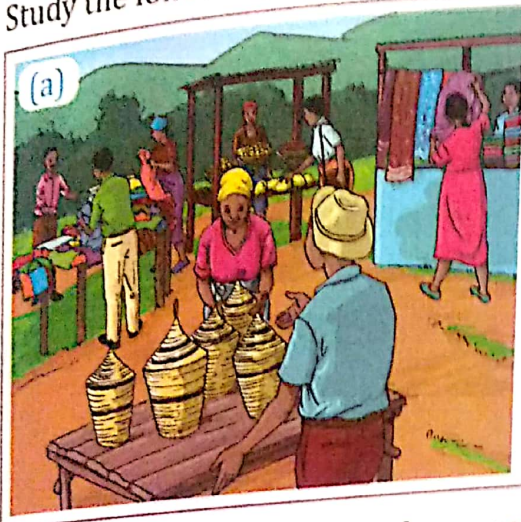
1. With the help of any family member:
  - (a) Make a table using the types of goods and services you have learnt.
  - (b) Identify any goods and services in your community and list them using a table.
2. Display and discuss your table in class.

## B. Distinguishing between goods and services

### Characteristics of Goods and services

#### Learning task 3

1. Study the following pictures and discuss the activities taking place.

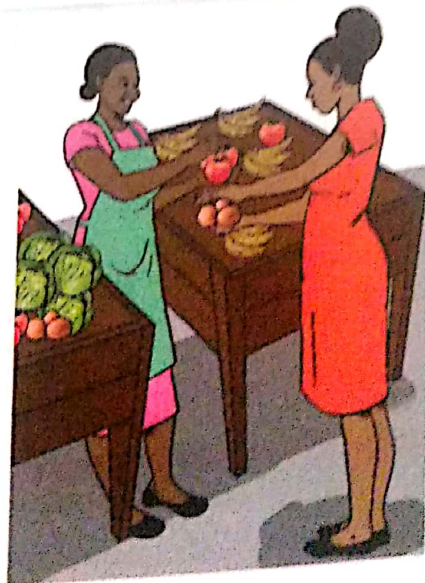


2. Discuss the services and goods we can buy in a market place.

#### Learning task 4

Read the following conversation and answer the questions that follow.

- Pendo:** Good afternoon, Mama Junior.
- Mama Junior:** Good afternoon, Pendo. How are you today?
- Pendo:** Am well, I have come to buy some cabbages, tomatoes and fruits, hope you have them.
- Mama Junior:** Yes, I have them. You can check which ones you prefer.
- Pendo:** Okay, last time I bought tomatoes worth Ksh 300. Unfortunately, my fridge got spoiled the same day, so I ended up sharing the tomatoes with my neighbours, so today I need more tomatoes.



- Mama Junior:** Alright, you did well by giving out the tomatoes to your neighbours. Some people could prefer to throw them away because tomatoes cannot stay long without spoiling.
- Pendo:** That's true, Mama Junior. I think I have what I came for. Kindly tell me how much I should pay.
- Mama Junior:** Those goods will cost you Ksh 500.
- Pendo:** Here you go. Do you know someone who can help me carry these shopping bags? I will pay when we get home.
- Mama Junior:** Yes. Let me call Mr Mvita. He is well known for his transportation and delivery services. He has just finished delivering some melons and pineapples to a local hotel.
- Pendo:** Thank you so much.
- Mama Junior:** Thanks, Pendo. Kindly be a little patient as we wait for Mr Mvita.

**Questions:**

1. What goods did Pendo want to buy from Mama Junior?
2. Identify the type of services described in the passage.
3. Identify the characteristics of the goods mentioned in the conversation.
4. Using the conversation, how can you distinguish services from goods.
5. Mention any business that provides goods or services in your community.

**Learning task 5**

Study the following picture and discuss the questions that follow.




**Questions:**

1. What service is being provided in the picture?
2. Discuss the following:
  - (a) can the service be seen or touched?

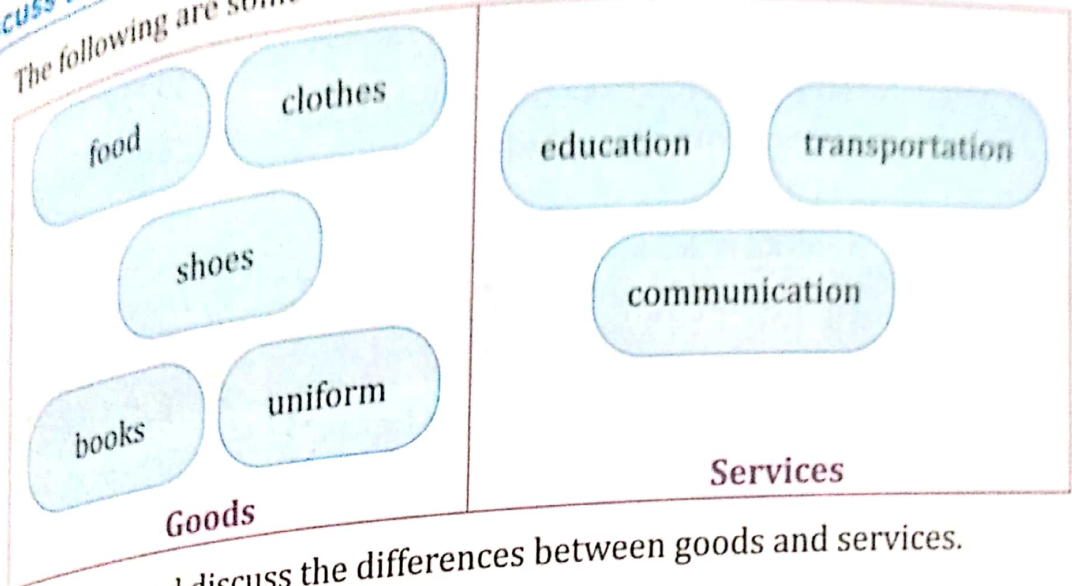


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- (b) can the service be separated from the provider?
- (c) can the quality of the service be determined?
- (d) can the service be stored and used in the future?

**Discuss and present** 

The following are some of the things that our parents buy for us.



2. Study them and discuss the differences between goods and services.

 **Mind Spot**

1. Discuss and complete the following table.

Goods	Services
(a) Goods can be touched. That is, they are tangible.	(a) _____
(b) _____	(b) Services cannot be seen.
(c) Goods can be separated from the seller or producer.	(c) _____
(d) _____	(d) The quality of services cannot be the same.
(e) Goods can be stored.	(e) _____
(f) _____	(f) Services do not change in value over time.

2. Read the following case study.

Mrs Kayai forgot to buy cooking oil when she did her monthly shopping at the community supermarket. She decided to go online and use the supermarket's website to order for the cooking oil. After waiting for some minutes, Mrs Kayai heard a knock on the living room door. It was a young man delivering her cooking oil. She paid for the delivery. Mrs Kayai was very happy and went on to cook her meals.

What did Mrs Kayai pay for, a service or a good?

3. Share your work with other classmates.

### Key learning points

The characteristics of goods and services can be used to distinguish or differentiate goods and services.

Characteristics of goods include:

- (a) Goods are tangible. This means that goods can be touched.
- (b) Goods can be separated from the seller.
- (c) Ownership of goods can be transferred from the seller to the buyer. This is done through trade.
- (d) Goods can be stored for future use.
- (e) Goods can be quantified in various shapes and sizes.
- (f) The quality of goods can be standardised. This means that goods can be made uniform in terms of size and quality.
- (g) Goods can change in quality over time. For example furniture and vehicles may lose value over time. Other goods such as land increase value over time.
- (h) Goods can be seen.

Characteristics of services include:

- (a) Services are intangible, that is, they cannot be touched nor felt.
- (b) Services cannot be separated from the service provider.
- (c) Service cannot be transferred from the provider to the consumer.
- (d) Services cannot be stored for future use.
- (e) Services cannot be quantified.
- (f) The quality of a service cannot be standardised.
- (g) Services cannot be seen.



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