**FORM 1 END OF TERM 1 MARKING SCHEME**

1. State five components of business studies. (4 marks)

a) Accounting

b) Office practice

c) Entrepreneurship

d) Economics

e) Commerce

1. State whether the commodity or services given in the table below would satisfy a basic human want or a secondary want. (4 marks)

|  |  |  |
| --- | --- | --- |
|  | **Commodity** | **Class of human want** |
| a) | A shirt | **Basic** |
| b) | Education | **Secondary** |
| c) | Housing | **Basic** |
| d) | A packet of rice | **Basic** |

1. For each of the following activities indicate on the spaces provided whether the production is direct or indirect. (4 marks)

**Production Type of production**

Preparing own food **Direct**

Supplying bread in an area **Indirect**

Providing photocopying services **Indirect**

Growing cabbages **Direct**

1. Highlight four business resources. (4 marks)

a) Human resources

b) Financial resources

c) Physical resources

d) Technological resources

1. Commerce is the study of trade and aids to trade. List five aids to trade. (5 marks)

a) Transport

b) Communication

c) Banking

d) Insurance

e) Warehousing

f) Advertising/ Product promotion

1. Indicate with a tick (✓) whether the following are internal or external environment. (4 marks)

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Factor** | **Internal** | **External** |
| a) | Employees | ✓ |  |
| b) | Cultural factors |  | ✓ |
| c) | Tools and equipment | ✓ |  |
| d) | Political factors |  | ✓ |

1. Highlight five characteristics of human wants. (5 marks)

a) They are insatiable

b) They vary in intensity and urgency

c) They are competitive

d) They are recurrent/ repetitive

e) Some are universal

f) They are habitual/ habit forming

g) They require resources

h) They are complimentary

1. In the spaces provided below, identify the types of utility created by each of the following commercial activities. (4 marks)

**Commercial activity Type of utility**

1. Transporting goods **Place utility**
2. Selling goods to a customer **Possession utility**
3. Making a chair from timber **Form utility**
4. Store keeping **Time utility**
5. State the term given to each of the following statements. (4 marks)

a) Activities carried out with a view to making profit. **Business**

b) Increasing the usefulness of a good or service. **Production**

c) Movement of goods from producers to consumers. **Distribution**

d) A person who uses a good or a service. **Consumers**

1. State four characteristics of capital. (4 marks)

a) It is a man-made resource

b) It is a basic factor of production

c) Its supply can be varied

d) Some forms of capital are geographically mobile while others are geographically immobile.

e) Capital is subject to depreciation

f) Its rewards is interest

1. Indicate whether the following resources are renewable or non –renewable. (4 marks)

|  |  |  |
| --- | --- | --- |
|  | **Resource** | **Classification** |
| a) | Natural rubber | **Renewable** |
| b) | Coal | **Non-renewable** |
| c) | Building stones | **Non-renewable** |
| d) | Wind power | **Renewable** |

1. State four reasons for starting a business. (4 marks)

a) To make profit

b) To provide essential goods and services

c) Creating employment

d) Creating market for locally available raw materials

e) Utilizing leisure/ spare/ extra time

f) Channel out new inventions/ innovations

g) Psychological satisfaction/ be own boss.

1. Classify the following occupations as either primary, secondary or tertiary. (4 marks)

|  |  |  |
| --- | --- | --- |
|  | Occupation | Level of production |
| a) | Mining | **Primary** |
| b) | Teaching | **Tertiary** |
| c) | Textile making | **Secondary** |
| d) | Fishing | **Primary** |

1. Highlight our characteristics of direct production. (4 marks)

a) Goods and services are produced in small quantities.

b) Encourages individualism.

c) Leads to low standard of living.

d) Can be very tiring.

e) Does not encourage invention and innovation.

f) A lot of time is wasted as one moves from one job to another.

1. State four importances of business studies to a learner. (4 marks)

a) The learner acquires knowledge and skills necessary to start and run a business.

b) Learners appreciate the role of business in provision of goods and services.

c) Learners are equipped with knowledge to evaluate business performance.

d) Learners acquire self-discipline and positive attitude towards work.

e) Learners develop positive attitude towards environment.

f) Learners understand the role of government in business.

g) Learners develop/ pursue various careers e.g banking, teaching, and marketing

h) Learners develop foundation required for further studies in business courses.

1. State the rewards paid to the following factors of production. (4 marks)

|  |  |  |
| --- | --- | --- |
|  | **Factor** | **Reward** |
| a) | Land | **Royalty/ Rates/ Rent/Leases** |
| b) | Labour | **Salaries/ wages** |
| c) | Capital | **Interest** |
| d) | Entrepreneurship | **Profit** |

1. Outline four characteristics of goods. (4 marks)

a) They are tangible

b) They can be stored

c) They are visible

d) Quality can be standardized

e) Can change possession / ownership

f) Can change value over time

1. State and explain five types of business activities. (10 marks)

a) Extraction – Involves obtaining goods from their natural setting e.g mining, farming and fishing

b) Processing of raw materials - Changing the form of a good without combining it with other goods

c) Manufacturing - Combining different raw materials to come up with a final product

d) Construction – Building of structures like roads, bridges and houses

e) Distribution of goods -Movement of goods from where they are produced to where they are needed

f) Trade – Buying and selling (exchange) of goods and services.

g) Provision of services – Involves selling of services to customers.