

## 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

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

	<b><u>Commodity</u></b>	<b><u>Class of human want</u></b>
a)	A shirt	<b>Basic</b>
b)	Education	<b>Secondary</b>
c)	Housing	<b>Basic</b>
d)	A packet of rice	<b>Basic</b>

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

<b><u>Production</u></b>	<b><u>Type of production</u></b>
Preparing own food	<b>Direct</b>
Supplying bread in an area	<b>Indirect</b>
Providing photocopying services	<b>Indirect</b>
Growing cabbages	<b>Direct</b>

4. Highlight four business resources. (4 marks)

- a) Human resources
- b) Financial resources
- c) Physical resources
- d) Technological resources

5. 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

6. 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		✓

7. 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

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

<u>Commercial activity</u>	<u>Type of utility</u>
a) Transporting goods	Place utility
b) Selling goods to a customer	Possession utility
c) Making a chair from timber	Form utility
d) Store keeping	Time utility

9. 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**

10. 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

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

	<b>Resource</b>	<b>Classification</b>
a)	Natural rubber	<b>Renewable</b>
b)	Coal	<b>Non-renewable</b>
c)	Building stones	<b>Non-renewable</b>
d)	Wind power	<b>Renewable</b>

12. 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.

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

	Occupation	Level of production
a)	Mining	<b>Primary</b>
b)	Teaching	<b>Tertiary</b>
c)	Textile making	<b>Secondary</b>
d)	Fishing	<b>Primary</b>

14. 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.

15. 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.

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

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

17. 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

18. 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.