

BUSINESS STUDIES
FORM ONE TERM ONE 2024
MARKING SCHEME

1. Fill in the table with the correct term as used in business studies. (5 marks)

	Definition	Term
a)	Study of all activities that are carried out in an office	Office practice
b)	Study of how people struggle to meet their endless needs using limited resources	Economics
c)	Study of systematic ways of recording and reporting business information for decision making	Accounting
d)	Study of the process of identifying a business opportunity and acquiring the necessary resources to start and run it.	Entrepreneurship
e)	Study of trade and aids to trade	Commerce

2. Highlight five ways in which the study of business studies is important to the community you live in. (5 marks)

- Enables the people in the community to acquire knowledge to start and manage profitable businesses.
- Enable people in the community understand and appreciate the role of business activities in the community.
- Enable people understand and appreciate the importance of business activities in the country.
- People are able to appreciate the basic economic issues in the community.
- It imparts skills of wise buying and selling in the community.
- People of the community acquire skills to evaluate performance of business.
- Develop positive environmental and health practices.

3. By using a tick (✓), show in the table below whether the activity listed are business activities or non-business activities. (5 marks)

No.	Activity	Business	Non business
a)	Selling tomatoes by the roadside	√	
b)	Making chapatis for own breakfast		√
c)	Growing onions behind the kitchen for home use		√
d)	Teaching students in a classroom	√	
e)	Using a wheelbarrow to transport goods for a shopkeeper at a fee	√	

4. Ways of performing social responsibilities by a business

- Selling products needed by customers
- Provide quality services and goods
- Charging reasonable prices
- Use promotional methods that are appropriate to the class of consumers
- Participate in community projects

5.

Factor	Classification
a) Customers	External business environment
b) Objectives	Internal business environment
c) Suppliers	External business environment
d) Management	Internal business environment
e) Competitors	External business environment

6. Features of human wants

No	Description	Feature
(a)	Wants are too many to be satisfied	They are insatiable
(b)	Once satisfied, they have a tendency of being felt again.	They are recurrent
(c)	Some wants are satisfied together.	They are complimentary
(d)	The same want can be satisfied using different resources.	They require resources

7. Required items in order of priority

- Uniforms
- Books
- Pens
- Sandals
- Pocket money
- Bread
- Juice
- Pair of socks
- Textbooks
- Shoe polish

8.

A good	A service
Tangible	Intangible
Quality can be standardized	Quality varies
Can be stored	Cannot be stored
Can be separated from the owner/provider	Are inseparable from provider
You pay for ownership of goods	You pay for the experience of services
Not always perishable	Always/highly perishable

9.

Direct services	Commercial services
Teaching	Transport
Hairdressing	Insurance
Healthcare	Communication
Legal services	Banking
Entertainment	Warehousing
Security	Wholesaling

10.

Resource	Factor of production
Firm manager	Labour
Farm tractor	Capital
Water	Land
Cotton	Capital
The owner	Entrepreneur
Buildings	Capital
Office secretary	Labour
The climate	land

11. Types of utility created

- Possession utility
- Place utility
- Time utility
- Form utility

12. Features of economic resources

- Scarcity-Found in small quantities compared to the many uses into which they have to be put. Hence not sufficient to satisfy all human wants
- Have monetary value-They have a price which have to be paid for their use/transfer for recording.
- Unequal distribution-they are not distributed evenly in the society hence some regions have more resources than others.
- Complementarity-they can be used jointly
- They have utility-are used to satisfy human wants
- Transferability-They may be transferred from one person to another if terms of ownership/possession
- Have alternative use-are multipurpose
- Mobility-Some can be moved from one place to another geographically

13. Benefits of division of labour

- Less time is spent in completing a job
- Minimal changing from doing one work to another
- Increased production
- Standardized goods production
- Increased mechanization
- Enhanced management
- High quality goods/services Increased innovation
- Improved efficiency

14.

Factor of production	Reward
Land	Rent
Labour	Salaries and wages
Capital	Interest
Entrepreneurship	Profit or loss

15. Factors which may limit exploitation of natural resources

- Low population
- Inadequate capital
- Lack of security
- Poor technology
- Limited market
- Lack of skilled labour
- Government restrictions
- Poor infrastructures for exploitation

16. Why human wants are not easily satisfied

- They are unlimited
- Are recurrent
- Are complimentary
- They require resources to satisfy

