**TERM ONE 2024**

**FORM THREE BUSINESS STUDIES**

**MARKING SCHEME**

**1. 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

**2. Benefits that may accrue to a business from a country’s political stability**

* Easy to obtain capital for expansion
* Cost of operation of business is low
* Accessibility to the market is enhanced
* Continuous production activities
* Easy to invest anywhere in the country
* Increased sales/production

**3. Why a firm continually advertise the same products**

* To bring notice of new costumers
* Cope with competition
* Maintain customers loyalty
* Announce prices of products
* Educate consumers on use of products
* To increase sales
* Maintain company image
* Caution customers about imitations
* Remind consumers of availability of products
* Correct any bias information about product

4.

|  |  |
| --- | --- |
| **Factor** | **Classification** |
| a) Customers | External business environment |
| b) Objectives | Internal business environment |
| c) Suppliers | External business environment |
| d) Management | Internal business environment |

**5. How clothes satisfy human wants**

* Cover nakedness
* Enhance identity
* Enhance self esteem
* Protection from changes of weather
* Provides variety in personal appearance

**6. Features of human wants**

|  |  |  |
| --- | --- | --- |
| **No** | **Description** | **Feature** |
| (a) | A person who is unable to fully satisfy all wants. | **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.

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| **Artificial resources** | **Human resources** |
| Mainly goods | Mainly services are effort |
| Tangible | Are intangible |
| Processed or constructed | Merely offered |
| The maker and the goods are separable | Provider and services are Inseparable |
| Can be standardized | Difficult to standardize |
| Can be stored | Difficulty to store |
| Only some are perishable | Highly perishable |

**8. Why an entrepreneurship is important**

* Facilitates better use of resources
* Leads to improved products for satisfaction of human wants
* Facilitates development of infrastructure
* Leads to creation of employment
* Leads to provision of a variety of goods.

**9. Qualities of a manager**

* Knowledgeable and efficient
* Set clear and achievable goals
* Appreciate, motivates and disciplines
* Fair in judgement
* Fluent communicator
* Able to delegate duties
* Flexible
* Sociable with staff
* Show proper work ethics
* Good dressing mode

**10. Factors to consider before buying office equipment**

* Space available
* Technological trends in the industry
* Use of which it is to be put.
* Funds available
* Cost of buying
* Quality/durability
* Adaptability of the equipment.
* Terms and conditions of payment
* Image/prestige
* Skills available for operation.

**11. 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** |
|  | Study of aids to trade | **Commerce** |

**12. Types of wholesalers described**

|  |  |
| --- | --- |
| **Description** | **Type of wholesaler** |
| 1. Deals with a wide range of goods of a given line of products. | **General line** |
| 1. Deals in a particular good from a given line of products. | **Specialized** |
| 1. Deals in wide range of products. | **General merchandise** |
| 1. Specializes in selling to other specialized wholesalers. | **Rack jobbers** |

**13. Factors for a choice of an office layout**

* Number of workers to be accommodated
* The work flow progress
* The government policy requirement
* The number of equipment and machines used
* The available space
* The financial abilities to construct the layout
* Privacy and supervision requirements.

**14. Circumstances under which a public corporation can be dissolved**

* When the Act under which it was formed is repealed.
* Where the firm is experiencing persistence loss making
* When the firm is declared insolvent.
* Where it found to act contrary to the set objectives

**15. Circumstances under which the government may be involved in business**

* When a business venture requires investments of large sums of money which individual entrepreneur may not provide
* When the goods or services to be the provided are essential to the welfare of citizens
* When there is need to protect citizens from exploitation by private entrepreneur
* When the government desires to create employment for the citizens
* When the government needs to generate income through revenue collection
* When there is need to safeguard national security
* Where there is need to balance regional development
* Where there is need to attract foreign investment

**16. Malpractices by traders against which consumers may need protection by the government.**

* Sale of low quality goods.
* Overpricing/overcharging the consumers
* False advertisements
* Sale of low quantity of goods
* Sale of harmful goods.
* Hoarding of goods
* Buildings and constructions that do not meet the safety standards.

**17. Circumstances under which face to face communication may be ineffective are:**

* Where there is age difference.
* Where the language has semantic problems/different languages
* Where there exists a difference in frame of reference
* Where the credibility of the communicating parties is in question/negative attitude/bias/prejudice.
* Where the receiver has a problem in hearing/hearing impairment
* Where there unfamiliar/difficult terminologies.
* Where there is noise/noisy area.
* Where there is poor listening by the recipient.
* Where there is pronunciation problems.
* Where there is poor timing
* Where there is inability to understand gestures.
* Where there is information overload
* Where there is prejudgment
* Where there is emotional responses like fear, joy, anger

18. Ways in which consumers can suffer if there is no wholesalers

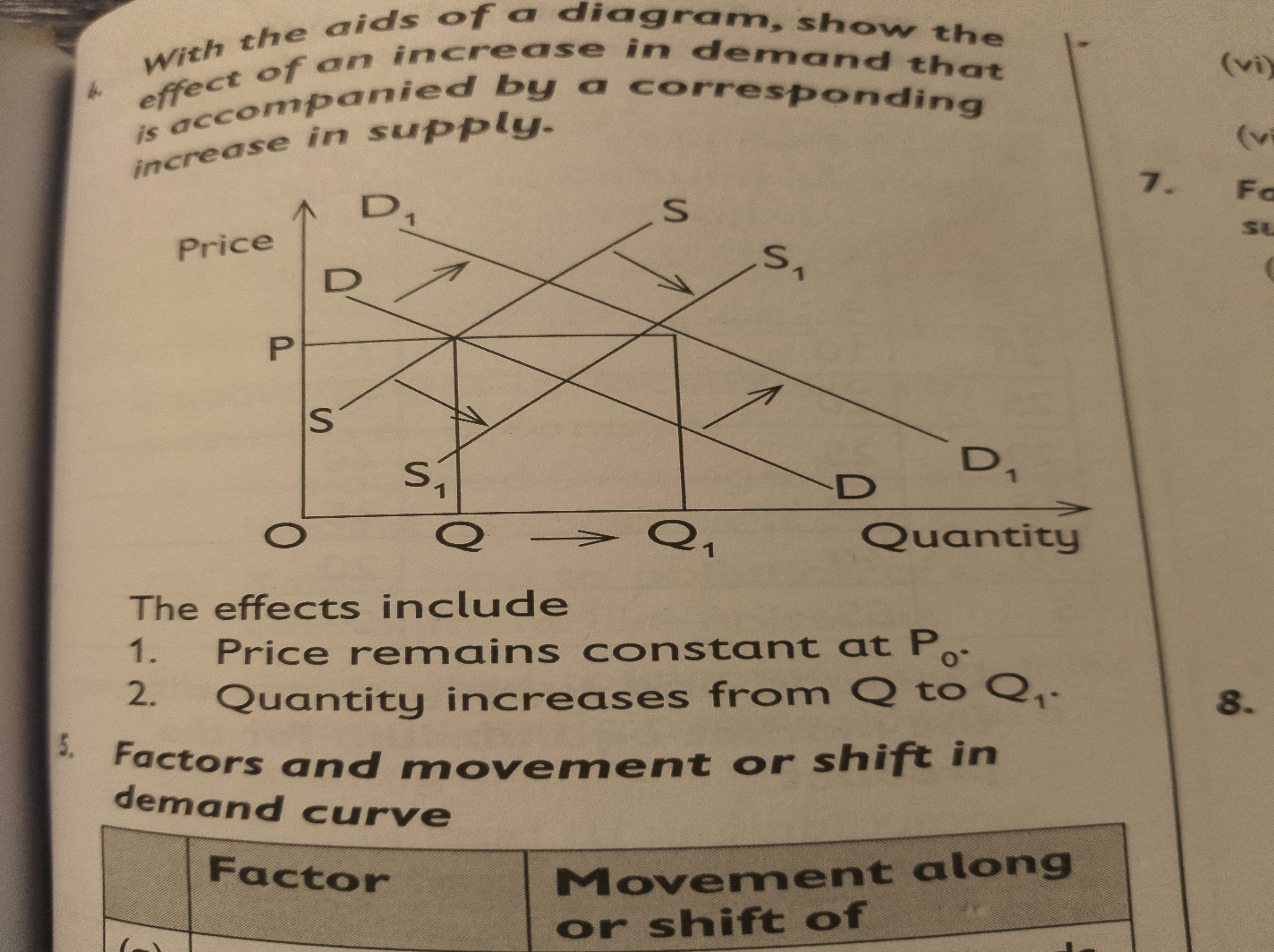
* No steady supply of goods
* Quality of goods may be compromised
* Unstable prices of goods in the market
* Inconvenient quantities
* Lack of time utility
* High prices of goods.

**19. Differences between insurance and assurance**

|  |  |
| --- | --- |
| **Insurance** | **Assurance** |
| 1. Has no surrender value | 1. Has a surrender value |
| 1. Policy cannot be used as a collateral to secure loan | 1. Policy can be used as collateral to secure a loan |
| 1. There must be proof of insurable interest | 1. There is no proof of insurable interest |
| 1. Protection offered to property against unforeseen risks | 1. Protection offered to life against occurrence of death |
| 1. Risks insured may or may not happen | 1. Risks insured against must happen and the time is unknown |
| 1. The insurance contract is renewable yearly | 1. Insurance contract is for life and does not require renewing |
| 1. Compensation is given to owner of property in case of loss (uncertain) | 1. Compensation is given to beneficiaries in case of death (certain) |
| 1. A replacement of the goods lost can be given (contract of indemnity) | 1. Life lost ca never be replaced (it is not a contract) |
| 1. Has no maturity date | 1. Has maturity date |
| 1. The principle of subrogation applies | 1. The principle of subrogation does not apply |
| 1. Cannot be used as a saving scheme | 1. Can be used as a saving scheme |
| 1. Sum insured depend on market value of property | 1. Sum assured depends on ability to pay (adjustable) |

**20. Benefits of pooling of risks**

* Enables an insurance company to create a common pool of funds
* Enables insurance company to compensate those who suffer losses when risk occur
* Enables an insurance company to spread risks over a large number of insured people.
* Surplus funds can be invested
* Enables company to meet operating costs.
* Enables insurance company to calculate premiums to be paid by each client.

21.

**22. Circumstances under which a manufacturer may prefer to sell directly to the consumer.**

* When goods are perishable
* When the firm is financially strong to open up retail outlets
* When there is compensation and need for lower prices.
* Where a firm wish to have direct contact with customers (feedback)
* When the market is concentrated in one place
* Where there is insufficient infrastructure
* When he or she wants to demonstrate on the use of the product.
* When goods are requested on order or made for a specific customer
* When goods are expensive to be sold through channels
* When the volume of output is small.
* When goods require specialized after sale service such as installation.

**23. Reasons that would justify the government establishing electric trains in the country**

* To provide employment opportunities in the country
* To protect consumers from exploitation
* To provide essential train services that is fast
* To prevent monopoly by local cartels in transport sector
* To encourage competition in the rail industry
* To generate income
* To promote investment in the country
* To finance important sector that require large capital investment