

BUSINESS STUDIES FORM 4

MARKING SCHEME

1. Circumstances for C.W.O (Any 4 x 1 = 4 marks)

- Buyer has poor credit rating.
- Seller wants to avoid bad debts.
- Goods are of high value.
- Buyer is new/unknown.
- Seller wants to avoid debt collection costs.

2. Dissolution of Partnership (Any 4 x 1 = 4 marks)

- Expiry of agreed period.
- Death/insanity of a partner.
- Bankruptcy of a partner.
- By court order.
- Mutual agreement.
- Retirement.

3. Uses of Computer in Office (Any 4 x 1 = 4 marks)

- Word processing.
- Data processing/analysis.
- Communication (emails).
- Record keeping/Database.
- Accounting.
- Research.

4. Sources of Monopoly Power (Any 5 x 1 = 5 marks)

- Ownership of raw materials.
- Patent rights/Copyrights.
- Large capital base (Economies of scale).
- Government franchise.
- Aggressive business strategies.
- High cost of entry.

5. Characteristics of General Insurance (Any 4 x 1 = 4 marks)

- Contract of indemnity.
- Short period (usually one year).
- Insurable interest (must suffer loss).
- Principle of subrogation.
- Principle of contribution.

6. Methods of Document Production (Any 4 x 1 = 4 marks)

- Type writing.
- Printing.
- Photocopying.
- Electronic/Digital.
- Dictation and transcription.

7. Channels of Export Distribution (Any 4 x 1 = 4 marks)

- Exporter → Agent → Retailer → Consumer.
- Exporter → Importer → Wholesaler → Retailer → Consumer.
- Exporter → Broker → Retailer → Consumer.
- Direct Export (Exporter → Consumer).

8. Characteristics of Subsistence Production (Any 5 x 2 = 10 marks)

- Small scale production.
- Family labor.
- Simple tools (hoes, pangas).
- Output is for home consumption; little surplus.
- Low capital.
- Low levels of technology/traditional methods.
- Mixed cropping.

9. Shift in Demand Curve (Any 4 x 1 = 4 marks)

- Change in consumer income.
- Change in tastes and preferences.
- Change in price of related goods (substitutes/complements).
- Changes in population.
- Expectations of future price changes.

- Seasons.

10. Benefits of SGR (Any 4 x 1 = 4 marks)

- Faster transport.
- Reduced cost of transport.
- Reduced accidents/road congestion.
- Employment creation.
- Boosts trade/tourism.
- Reliable time keeping.

11. Functions of Producer Co-operatives (Any 5 x 2 = 10 marks)

- Marketing members' produce.
- Processing raw materials.
- Supplying farm inputs.
- Transport facilities.
- Credit facilities.
- Storage facilities.
- Research/Education.

