BUSINESS STUDIES MARKING SCHEME.

1. **Meaning of business**

A business is any activity carried out by an individual with an aim of making profit. 1x1

1. **Terms**

Distribution

Production

Consumption 3x1 (3mks)

1. **Subjects related to business Studies**

Commerce

Accounting

Economics

Entrepreneurship

Office practice

1. **Characteristics of human wants.**

They are insatiable

They vary in urgently and intensity

They are universal

They are competitive

They are recurrent

Require resources to be satisfied

They are habit forming

They are complimentary Any 4x1

=4mks

1. **Characteristics of economic resources**

They are limited /scarce in supply

They have money value

They are unevenly distributed from region to region, country to country or community to community.

Some can be transferred from one person to another.

Can change ownership

Can be combined in various proportions.

Any 4x1

=4mks

1. **Renewable or non renewable resources**

Renewable

Non-renewable

Renewable

Renewable

Renewable

Renewable

Non-renewable

Non-renewable Any 8x½

=4mks

1. **Factors that contribute to a healthy business environment**

Clean water to drink/use

Clean air

Proper waste disposal

Limited noise Any 4x1

=4mks

1. Basic

Secondary

Basic

Secondary Any 4x1

=4mks

1. **Characteristics of services**

Are intangible

Cannot be standardized

Cannot be separated from the provider

Services are highly perishable

Cannot be seen. Any 4x1

=4mks

1. **Classification of factors**

External

Internal

External

Internal

External Any 5x1

=5mks

1. **Characteristics of basic human wants.**

They are felt needs

One cannot do without them

They cannot be postponed

They are satisfied before secondary wants Any 4x1

=4mks

1. **Difficulties/challenges faced in satisfaction of human wants.**

Human wants are too many and varied to satisfy fully/unlimited

The resources needed for the satisfaction of human wants are never enough.

Resources are scarce

Human wants are recurrent

Human wants change with time age and gender. Any 4x1

=4mks

1. **comforts**

Wants that improve ones living standards beyond the level of mere survival.

e.g furniture, security ,education.

**Luxuries:**

Requirements that provide excessive comfort e.g gold watches, diamond necklaces,fourty bedroomed house etc. biscuits,sweets.

Meaning 1

Example 2x2 =4mks

1. **Macro-environmental factors.**

Legal political

Economic

Enterprise compensation

Cultural Any 4x1 =4mks

1. **Complementary wants**

Where wants are simultaneous. When more items must be used together.

**Wants are habitual**

Where one becomes addicted to a particular want or where one develops the taste for a commodity so that he/she uses it again and again. Any 2x2

=4mks

1. **Natural sources of energy**

Solar/sun energy

Firewood/charcoal

Geothermal power/steam power/hot springs

Hydro electric power/water power

Biogas Any 4x1

=4mks

1. **Benefits that may accrue to a firm that uses modern technology.**

Increased productivity

Improvement in service delivery

Lowering production costs

Standardization of products

Increase accuracy in operations

Facilitates decision making

Helps in providing a variety of goods and services. Any 4x1

=4mks

SECTIO B.

19.**Internal factors that may positively influence the business.**

a. Adequate /enough finances

Well trained human resources /manpower

Adequate physical resources such as furniture

Well organized business structure

Positive culture Any 3x2

=6mks

b.Meanign of SWOT

S-Strengths

W-Weaknesses

O- Opportunies

T-Threats Any 4x1

=4mks

20. a.**Meaning of terms**

Scarcity:Limited nature of economic resources.

Choice: the act of deciding what want to satisfy first with the scarce resources available.

Opportunity cost: The cost of the foregone alternative Any 1x2

=6mks

**Characteristics of goods**

Are tangible

Can be stored

Quality can be standardized

Can change possession

Are visible

Can change in quality over time.

Any 4x1

=4mks

21.a.**Benefits of studying business studies to the society.**

It helps learners to acquire knowledge and awareness of business terminologies which are necessary when discussing business issues.

Its aid in understanding and appreciating the role of business in society.

It equips the learners with knowledge skills necessary to start and run a business comfortably.

Makes the members of society to appreciate the need for good business management.

Enables the individuals to understand the role of government in business activities.

Assist individuals to acquire self discipline and positive attitude towards work.

Any 3x2

6mks

b**.Categories of business activities**

Extraction

Processing of raw materials

Manufacturing

Construction

Trade

Provision of services Any 4x1

=4mks

22.a.**Natural resources.**

Resources that are made available by nature.e.g Natural forests,rivers,mountain s,lakes,climate,land.

Man made resources

Resources created by human beings to be used in satisfying their wants.e.g tools ,machines and commercial vehicles.

**Human resources**

Human beings when rendering services in production

e.g.teachers ,doctors ,carpenters and drivers.

Explanation(1mk)

Example 1mk 2x3(6mks)

b.**Reasons for starting a business**

To provide goods and services

To create employment

To earn profit

As an outlet for new innovations

To be an own boss

To utilize extra resources

To offers special services

Utilize spare time. Any 4x1

=4mks