**Name:……………………………………………………….Class:…………..Adm No:……….**

**END TERM EXAM - 2021**

**FORM 1**

**BUSINESS STUDIES.**

**TIME:**

**Instructions.**

**Answer all questions in the spaces provided.**

1. State four characteristics of basic wants. (4mks)
* ***One cannot do without them.***
* ***They are felt needs***
* ***They cannot be postponed.***
* ***They are satisfied before secondary wants.***
1. Classify each of the following production activities as either Primary, Secondary or Tertiary. (4mks)

|  |  |
| --- | --- |
| **Activity**  | **Level of production** |
| Constructing a bridge | ***Secondary***  |
| Transporting medicines | ***Tertiary***  |
| Growing vegetables  | ***Primary***  |
| Making tea | ***Primary***  |

1. Name four commercial services which are useful to a manufacturer. (4mks)
* ***Ware housing***
* ***Advertising***
* ***Insuarance***
* ***Communication***
1. State the type if utility created in each of the following cases.
2. There is exchange hence one is able to acquire what they do have.
* ***Possession utility***
1. Goods are stored until when they are needed.
* ***Time utility***
1. Goods are taken to where they are required.
* ***Place utility***
1. Converting goods to the right shapes and sizes required.
* ***Form utility***
1. Highlight four characteristics of Direct production. (4mks)
* ***Goods and services are of low quality and quality.***
* ***Encourages individualism.***
* ***Leads to how standards of living***
* ***Can be very tiring***
* ***Does not encourage invention and innovation.***
* ***A lot of time is wasted as one moves from one job to another.***
* ***No one has the ability to provide all that he/she requires.***
1. What are the payments for the following factors of production. (4mks)
2. Labour – ***Salaries/wages***
3. Capital -  ***Interest***
4. Enterprenuer – ***Profit***
5. Land – ***royalty / rent / rate***
6. State four disadvantages of Division of labour and specialization. (4mks)
* ***Leads to monotony of work resulting to boredom.***
* ***Hinders creativity since people work mechanically just like machines.***
* ***Makes a worker dependant one trade.***
* ***Encourage use of machines, which creates unemployment.***
* ***Makes a counting depend on other countries.***
* ***It brings many people together and this leads to social problems such as crime and prostitution.***
* ***Leads to lack of pride in the final product.***
* ***If a few people stop working due to a technical fault such as printer failure, the whole process of production stops.***
1. State four functions of an entrepreneur. (4mks)
* ***Creation of employment.***
* ***Formation of capital***
* ***Reducing rural urban migration***
* ***Raising standards of living***
* ***Saving on imports.***
* ***Improving infrastructure.***
1. Apart from shows and exhibitions list four other sources of business ideas. (4mks)
* ***Newspapers***
* ***Magazine articles***
* ***Hobbies***
* ***Vocational training and experience***
* ***Surveys***
* ***Waste products***
* ***Sporting a market gap (niche)***
1. Highlight four reasons why a business needs a business plan. (4mks)
* ***Avoiding mistakes***
* ***Identifying strengths and weaknesses***
* ***Requirements by financiers***
* ***Determination of the amount of finance required.***
* ***Allocation of resources***
* ***A motivating factor***
* ***Adaptability***
1. State four ways of classifying goods and services produced in an economy. (4mks)
* ***Free goods and economic goods***
* ***Producer goods and consumer goods***
* ***Perishable goods and durable foods***
* ***Public goods and private goods***
* ***Intermediate goods and finished goods***
* ***Material goods and non-material goods.***
1. Name four duties carried out in an office. (4mks)
* ***Receiving and recording information***
* ***Distribution of information***
* ***Mailing***
* ***Reproduction of documents***
* ***Safeguarding and controlling organization property.***
* ***Communication***
* ***Filling***
1. Highlight four characteristics of a good filing system. (4mks)
* ***Simplicity***
* ***Compactness***
* ***Suitability***
* ***Elasticity***
* ***Safety***
* ***Accessibility***
* ***Economical***
1. List four roles of filing in an office. (4mks)
* ***Documents are protected from loss and landing into unauthorized hands.***
* ***It aids in office tidiness and efficiency.***
* ***It an important aid to memory.***
* ***Ensures that information is stored systematically and con be retrieved easily when needed.***
* ***Documents are kept neat and tidy.***
1. List three types of office layouts. (3mks)
* ***Open office layout***
* ***Enclosed office layout***
* ***Landscape office layout***
1. Name the office equipment used to perform each of the following tasks. (4mks)
2. Printing stamp impression on envelops.
* ***Franking machine***
1. Cutting paper into required sizes
* ***Paper shredler***
1. Pinning papers together
* ***Stapler***
1. Recording, processing, sorting and retrieving information.
* ***Computer***
1. State four factors to be considered when selecting office equipment. (4mks)
* ***Cost***
* ***Adaptability***
* ***Possibility of hiring than buying***
* ***Durability***
* ***Effect on staff morale***
* ***Availability of complimentary resources***
* ***Availability of manpower***
* ***Security of an equipment.***
1. State essential qualities of an office staff. (3mks)
* ***Personal attributes***
* ***Office etiquette***
* ***Knowledge and skills.***