

OPENER EXAMINATION: TERM 1 2024

BUSINESS STUDIES

FORM 2

MARKING SCHEME

INSTRUCTIONS: ANSWER ALL QUESTIONS IN THE SPACES PROVIDED (100 MKS)

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1. State four characteristics of a good filing system (4mks)
 - a) *Simple to understand and operate.*
 - b) *Should not occupy too much space*
 - c) *Appropriate for needs of business*
 - d) *Flexible to cater for future changes(Elasticity)*
 - e) *Should provide protection to documents (Safety)*
 - f) *Accessibility*
 - g) *Not expensive to start/maintain (Economical)*
2. Highlight four limitations of direct production(4mks)
 - a) *Promotes individualism*
 - b) *Time wasting moving from one job to another*
 - c) *Does not encourage innovation/invention*
 - d) *Goods are of low quality*
 - e) *Goods are of low quantity. No surplus*
 - f) *Does not allow specialization*
3. List four factors that constitute external business environment (4mks)
 - a) *Economic Environment*
 - b) *Demographic Environment*
 - c) *Technological Environment*
 - d) *Legal – political Environment*
 - e) *Cultural Environment*
 - f) *Physical Environment*
4. Highlight four circumstances under which cash means of payment is appropriate (4mks)
 - a) *Where amount involved is small*
 - b) *Where the payee does not accept other means*
 - c) *Where the cash is the only means available*
 - d) *Where the payee require the money urgently*
 - e) *Where there is need to avoid expenses associated with other means of payment*
5. Write down four characteristics of a chain store (4mks)
 - a) *Purchases are centralized*
 - b) *Prices are standard for all branches*
 - c) *Sales are decentralized*
 - d) *All branches deal with same type of products*
 - e) *Have uniform appearance outward and interior layout*

6. Give four factors that one should consider when selecting office equipment (4mks)

- a) *Cost of equipment*
- b) *Adaptability to future changes*
- c) *Possibility of hiring rather than buying*
- d) *Durability or lifespan of machine*
- e) *Effect on staff morale*
- f) *Availability of complimentary resources*
- g) *Availability for space*
- h) *Availability of manpower*
- i) *Security of equipment*

7. Indicate in the table below the documents that suits the description given in each case (4mks)

Description	Document
Used to correct undercharge in the invoice	<i>Debit note</i>
Used to demand payment for goods delivered	<i>Invoice</i>
Packed together with goods	<i>Packing note</i>
An acknowledgement of a debt	<i>I O U (I owe you</i>

8. Other than use of computers in an office mention four recent trends in office management (4mks)

- a) *Location in outskirts of towns*
- b) *Employee identification i.e. use of badges*
- c) *Outsourcing of services such as cleaning*
- d) *Use of casuals, branded uniform on weekend*
- e) *Adopting open or landscape office layouts*
- f) *Use of cell phones/mobile phones*
- g) *Automation – use of machines*
- h) *Merging duties to reduce cost*

9. State four benefits that a firm may enjoy by preparing a business plan (4mks)

- a) *Requirement by financiers*
- b) *Helps in allocation of resources*
- c) *Motivational tool*
- d) *Helps to analyze strengths and weakness opportunities/Threads*
- e) *A tool for evaluation*
- f) *Adaptability*

10. State four characteristics of economic resources (4mks)

- a) *They are scarce in supply*
- b) *Have money value*
- c) *Have utility*
- d) *Can change ownership*
- e) *Can be combined*
- f) *Can be complimentary*

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11. State four roles of entrepreneur in production (4mks)

- a) *Controls business*
- b) *Starts the business*
- c) *Makes decisions*
- d) *Acquires and pays for other factors*
- e) *Bears the risks /enjoys the profits*
- f) *Pays for expenses*
- g) *Owns the project*

12. Highlight four ways in which natural resources may benefit a country (4mks)

- a) *Creates employment*
- b) *Provides raw-materials for industry*
- c) *Earns country foreign*
- d) *Source of energy*
- e) *Provides settlement for men and animals*
- f) *Provide sustenance for human and animal's life. E.g. water and food*

13. List four disadvantages of an enclosed office (4mks)

- a) *Expensive to construct*
- b) *High maintenance cost*
- c) *Wastage of space due to p*
- d) *Under utilization of equipment*
- e) *Supervision is difficult*
- f) *May encourage corruption*
- g) *Promotes laxity*
- h) *May encourage immorality*

14. Identify four characteristics of human wants (4mks)

- a) *Insatiable*
- b) *Vary in urgency and intensity*
- c) *Unlimited in number*
- d) *They are competitive*
- e) *They are recurrent*
- f) *They are universal*
- g) *They are complimentary*
- h) *Some are habitual*

15. Give four basic factors of production with their respective reward (4mks)

- a) *Land: reward is rent/rates*
- b) *Capital: Reward is interest*
- c) *Entrepreneurship: Reward is Profit*
- d) *Labour: Reward is salary and wages*

16. State four circumstance under which photocopying may be used to produce documents in an office (4mks)

- a) *When a limited number of copies is required*
- b) *When copies are urgently required*
- c) *When there is no need for training for operations*

d) *In case it does not pollute the environment*

17. Outline four sources of business idea (4mks)

- a) *Newspaper*
- b) *Shows and exhibitions*
- c) *Magazines and articles*
- d) *Hobbies*
- e) *Vocational training*
- f) *Surveys*
- g) *Waste products*
- h) *Listening to what people say*
- i) *Spotting market gap*

18. State the type of utility created by each of the following activities

Activity	Utility
a. Baking	<i>Form utility</i>
b. Transportation	<i>Place utility</i>
c. Banking	<i>Time utility</i>
d. Retailing	<i>Possessive utility</i>

19. State four features of land as a factor of production (4mks)

- a) *Its supply is fixed*
- b) *It is a basic factor of production*
- c) *It's productivity can be increased by increasing quality and quantity of capital*
- d) *Subject to law of diminishing returns*
- e) *Lack geographical mobility*

20. Outline four functions of an office (4mks)

- a) *Administration*
- b) *Communication*
- c) *Storage*
- d) *Reproduction of documents*
- e) *Safeguarding office property*

21. Highlight four factors that one should consider when evaluating a business opportunity (4mks)

- a) *Availability of market*
- b) *Financial requirement*
- c) *Legal/Government policy*
- d) *Availability of raw-materials*
- e) *Personal abilities*
- f) *Technological requirement*

22. Outline four demerits of division of labour (4mks)

- a) *Monotonous/boring*
- b) *Convert men into machines like creatures*

- c) *Creates unemployment*
- d) *Lack of pride in final product*
- e) *Bring people to work together – social problems*

23. State four types of business activities (4mks)

- a) *Extraction*
- b) *Processing of raw materials'*
- c) *Manufacturing*
- d) *Construction*
- e) *Trade*
- f) *Provision of services*
- g) *Distribution of goods*
- h) *Absenteeism of one workers leads to stoppage*

24. Explain four ways in which traders prepare goods for sale (4mks)

- a) *Packing: putting goods in cartons, boxes etc*
- b) *Grading: Putting goods in groups of similar quality to make it easier to price them*
- c) *Sorting: Selecting goods according to sizes, weight, colours, qualities*
- d) *Breaking bulk: Dividing commodity into small quantities for the convenience of the buyer*
- e) *Branding: Giving a product a name by which it will be sold*



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