

FORM THREE

BUSINESS STUDIES

OPENER EXAM 2025

MARKING SCHEME

1. Give the meaning of the following terms.

A. goods

Items that are tangible

B. services

Actions that are intangible

C. utility

Ability of a good or a service to satisfy human want.

D. wants 2mks

Are human desires

2. Outline four characteristics of human wants.4mks

Are unlimited

Are habitual

Require resources

Some are universal

3. Outline four characteristics of goods 4mks

Are intangible

Can be standardized

Can be stored

Can change ownership

4. Outline types of utility.4mks

Form utility

Time utility

Place utility

Possession utility

5. Give four characteristics of land as a factor of production.4mks

It's a basic factor of production

It's a natural resource

Its supply is fixed

Quality of land is not homogenous

6. Outline four function of an entrepreneur. 4mks

Pays for other factors of production

Starts the business

Owns the whole project

Takes risks and enjoys profit

7. Give four characteristics of basic human wants. 4mks

Cannot be postponed

Are felt needs

Are satisfied first before secondary wants

One cannot do without them.

8. Give five differences between goods and services. 5mks

Goods	Services
Are tangible	Are intangible
Can be seen	Cannot be seen
Can be stored	Cannot be stored
Can change ownership	Cannot be separated from the service provider
Can be standardized	Cannot be standardized

9. Construction Identify whether the following resource are renewable or nonrenewable. 5mks

Wood -renewable

Natural rubber- renewable

Coal- non renewable

Gold-non renewable

Solar energy- renewable

10. Give four characteristics of economic resources.
4mks

Scarce in supply

Unevenly distributed

Are complimentary

Can be combined

11. Outline four types of business activities. 4mks

Processing of raw materials

Manufacturing

Trade

12. Give two examples of basic human wants. 2mks

Clothing

Food