

# END TERM 3 2026

## GRADE 10

### BUSINESS STUDIES

#### MARKING SCHEME & TEACHER'S GUIDE

**TOTAL MARKS: 80**

#### CURRICULUM COVERAGE

The assessment is grounded in the Grade 10 Business Studies Curriculum Design. The design organises the subject into four strands: Business and Money Management; Business and its Environment; Government and Global Influence in Business; and Financial Records in Business. It also identifies subject learning outcomes covering money, business goals, budgeting, banking, business activities and ownership, social responsibility, entrepreneurship, production, consumer satisfaction, public finance, international trade, business transactions, effects of business transactions, and source documents/books of original entry.

#### CURRICULUM TRACEABILITY

| Q  | Strand/Sub-strand           | Learning outcome focus                               | Level            | Marks |
|----|-----------------------------|------------------------------------------------------|------------------|-------|
| 1  | 1.1 Money                   | Characteristics/features of money                    | Understand       | 4     |
| 2  | 1.2 Business Goals          | Business goals and their importance                  | Understand       | 5     |
| 3  | 1.3 Budgeting               | Prepare/use a budget and interpret expenditure       | Apply            | 6     |
| 4  | 1.4 Banking                 | Banking services for businesses                      | Understand       | 4     |
| 5  | 1.1 Money                   | Factors determining demand for money                 | Analyse          | 6     |
| 6  | 2.4 Entrepreneurship        | Entrepreneurial skills, opportunities and incubation | Apply/Analyse    | 8     |
| 7  | 2.2 Business Ownership      | Types and benefits of business ownership             | Understand       | 7     |
| 8  | 2.5 Production              | Factors of production and division of labour         | Understand       | 5     |
| 9  | 2.6 Consumer Satisfaction   | Improvement and benefits of customer satisfaction    | Apply            | 5     |
| 10 | 3.1 Public Finance          | Public revenue, taxation and customs duties          | Understand       | 8     |
| 11 | 3.2 International Trade     | International trade, benefits and payments           | Understand/Apply | 10    |
| 12 | 4.2 Effects of Transactions | Statement of financial position/net worth            | Apply            | 10    |

#### MARKING SCHEME

##### 1. Marking guide

Any four: acceptability; durability; divisibility; portability; stability in value; recognisability; scarcity/limited supply; homogeneity — 1 mark each.

##### 2. Marking guide

(a) Any three: profit maximisation; survival; growth/expansion; customer satisfaction; provision of goods/services; social responsibility; other valid business goal — 1 mark each.

(b) Any two: provide direction; facilitate planning; provide a basis for measuring performance; guide resource allocation; motivate participants — 1 mark each.

##### 3. Marking guide

(a) Total expenditure = 18,000 + 12,000 + 6,000 + 5,000 + 4,000 = KSh 45,000. Award 1 mark for correct addition and 1 mark for answer.

(b) Amount available = 60,000 – 45,000 = KSh 15,000. Award 2 marks.

(c) Any two: controls spending; promotes saving; guides allocation of income; helps avoid unnecessary expenditure; provides a basis for financial planning — 1 mark each.

##### 4. Marking guide

Any four: accepting deposits; providing loans/overdrafts; payment services; money transfer; safe custody; foreign exchange; bank statements; other valid banking service — 1 mark each.

##### 5. Marking guide

Any three explained factors: income level; interest rates; price levels; level of economic activity; precautionary/speculative motives; availability of credit; other curriculum-consistent factor — 2 marks each for correctly explained factors.

## 6. Marking guide

- (a) Any three: creativity; initiative; risk-taking; persistence; self-confidence; innovativeness; ability to identify opportunities; decision-making — 1 mark each.
- (b) Any three explained: market demand; availability of resources; level of competition; capital requirements; skills/experience; location; profitability; government regulations — 1 mark each.
- (c) Any two: training/mentorship; access to facilities/resources; networking; business support/advice; improved survival/growth prospects — 1 mark each.

## 7. Marking guide

- (a) Any three: sole proprietorship; partnership; cooperative society; company; other ownership form recognised in the curriculum — 1 mark each.
- (b) Any two: easy to form; quick decision-making; owner retains profits; close control; business secrecy — 1 mark each.
- (c) Any two: pooling of capital; sharing of skills/experience; sharing of responsibilities; sharing of risks; greater capacity to operate — 1 mark each.

## 8. Marking guide

- (a) Land; labour; capital; entrepreneurship — 1 mark each.
- (b) Any one: workers specialise; repetition improves skill/speed; time is saved; productivity increases — 1 mark.

## 9. Marking guide

- (a) Any three: improve product quality; timely delivery; respond to complaints; provide after-sales service; fair pricing; reliable information; meet customer needs; provide convenient service — 1 mark each.
- (b) Any two: customer loyalty/repeat purchases; increased sales; positive reputation; competitive advantage; improved profitability — 1 mark each.

## 10. Marking guide

- (a) Any three: taxes; fees/charges; fines; grants; loans; profits from public enterprises; other valid public revenue source — 1 mark each.
- (b) Any three: finance public services; fund development projects; redistribute income; regulate economic activity; protect local industries; influence consumption; raise government revenue — 1 mark each.
- (c) Import duty and export duty — 1 mark each.

## 11. Marking guide

- (a) Imports are goods/services bought from other countries; exports are goods/services sold to other countries — 2 marks each for clear distinction.
- (b) Any three: earns foreign exchange; expands markets; increases variety of goods/services; promotes specialisation; creates employment; encourages investment/technology transfer; strengthens economic cooperation — 1 mark each.
- (c) Any three valid methods/terms of payment in international trade as taught: letter of credit; documentary collection; open account; advance payment; other curriculum-consistent method — 1 mark each.

## 12. Marking guide

- (a) Total assets = 25,000 + 40,000 + 85,000 + 60,000 + 30,000 = KSh 240,000. Award 1 mark for method, 1 mark for correct components and 1 mark for answer.
- (b) Total liabilities = 35,000 + 50,000 = KSh 85,000. Award 2 marks.
- (c) Net worth/capital = assets – liabilities = 240,000 – 85,000 = KSh 155,000. Award 3 marks: formula/method 1, substitution 1, answer 1.
- (d) Any two: provides information for decision-making; helps determine financial position; supports accountability; facilitates planning/control; provides evidence of transactions; assists preparation of financial statements — 1 mark each.

## MARKING PRINCIPLES

Award credit for any technically correct alternative that satisfies the learning outcome and is consistent with the terminology and scope of the Grade 10 Curriculum Design. In calculation questions, award method marks where the working is correct even if an arithmetic error affects the final answer. Do not award duplicate marks for the same point.

## **TOTAL-MARK VERIFICATION**

Question Paper = 80 marks. Marking Scheme = 80 marks. The assessment uses structured-response questions throughout and includes application, interpretation and calculation tasks across the four curriculum strands.

## **SOURCE ALIGNMENT**

The Curriculum Design states that Business Studies develops competencies in interpreting, analysing, managing and communicating financial information; social skills for financial coexistence; appropriate knowledge, skills and attitudes for business; legal considerations; and digital literacy for ICT integration in business. The assessment therefore includes financial calculation, entrepreneurship, business environment, public finance, international trade and financial-record tasks.

