

# FORM 1 END TERM 2 2020

## BUSINESS STUDIES

### ANSWER ALL THE QUESTIONS IN THE SPACES PROVIDED BELOW EACH QUESTION

1. State the term given to each of the following statements: (4 mks)

- (a) Activities carried out with a view of making profit
- (b) Increasing the usefulness of a good or service
- (c) Movement of goods from producers to consumers
- (d) A person who uses a good or service

2. State the term given to each of the following disciplines. (4mks)

Disciplines	Term
(a) Study of trade and aids to trade	
(b) Study activities that are carried out in an office	
(c) Study of how man strives to satisfy his unlimited wants using the limited resources.	
(d) Study of the process of identifying business opportunity and acquiring resources to start and run a business.	

3. Below are some factors that affect a business environment. State the business environment affected by each factor ( indicate micro or macro ) (4mks)

	FACTOR	ENVIRONMENT
a	Economic issues	
b	Technological Issues	
c	Marketing capacity	
d	Business structure	

4. Highlight **four** benefits of business studies to a learner. (4mks)

5. Distinguish between the following terms.

(a) Comforts and luxuries (2mks)

(b) Human resources and man made resources. (2mks)

(c) Renewable resources and Non-renewable resources (2 mks)

6. Outline **four** ways in which Kenya can use her natural resources economically for maximum benefit. (4 Marks)

7. Classify the following human wants as either basic or secondary. (3mks)

	Need	Classification
(i)	Security	
(ii)	Medical care	
(iii)	Shelter	
(iv)	Love	
(v)	Food	
(vi)	Education	

8. State **FOUR** reasons why basic wants must be satisfied first before secondary wants (4mks)

9. Highlight **FOUR** characteristics of free resources (4mks)

10. Name **four** characteristics of human wants. (4 marks)

11. Classify the following resources as either renewable or non-renewable. Wood coal sodash, building, stove, wool, silk and Iron. (4mks)

(i).....	.....
(ii).....	.....
(iii).....	.....
(iv).....	.....

12. Define the following terms as used in Business Studies.  
(4marks)

- (i) Extraction
- (ii) Processing
- (iii) Manufacturing
- (iv) Trade

12. Suggest three ways that can be taken to improve human resource (3mks)

13. State **four** Reasons why choice should be made in satisfying human wants. (4mks)

14. State **four** factors that may limit an individual's ability to satisfy his basic human wants. (4Mks)

15. Give four differences between goods and services (4 mks)

16. Describe four characteristics of Economic resources (4 mks)

17. For each of the following goods give two examples: (4 mks)

- (a) Free goods
- (b) Producer goods
- (c) Consumer goods
- (d) Durable goods

18. Classify the following resources into man-made, human or natural (4 mks)

- (a) Teachers
- (b) Dams
- (c) Roads
- (d) Clothes
- (e) Nurses
- (f) Oceans
- (g) Air
- (h) Gold

19. Classify each of the following items into either comforts or luxuries (4 mks)

- a) Golden necklace
- b) Security
- c) 40- bed roomed house
- d) Medicine

21. Mention **four** external business environments that may affect business operations positively. (4 mks)

23. Name two differences between basic wants and secondary wants and give two examples of each (4 mks)

24. Highlight any four reasons why people start businesses (4 mks)

25. Classify each of the following as either generic or enterprise competition (4 mks)

- (a) A coffee processing firm competing with a tea-processing firm
- (b) A choice between going to a cinema or to swim
- (c) Ukweli Bookshop competing with Vitabu Bookshop
- (d) Mt Kenya High school competing for academic performance with Mt Elgon High school