**TERM 2 - 2023**

**BUSINESS STUDIES**

**FORM ONE (1)**

**Time - 2 Hours**



**Name …………………………………………….……… Admission Number …………….**

**Candidate’s Signature ………………….…...……….. Date ……………………………**



**INSTRUCTIONS TO CANDIDATES**

1. Write your name and Index number in the spaces provided above.
2. Write the date of examination in the spaces provided above.
3. Answer **ALL** the questions.
4. **ALL** answers must be written in the spaces provided in this booklet.

**FOR EXAMINER’S USE ONLY**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Question** | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** | **13** |
| **Marks** |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Question** | **14** | **15** | **16** | **17** | **18** | **19** | **20** | **21** | **22** | **23** | **24** | **25** | **TOTAL** |
| Marks |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. State the term given to each of the following statements as used in business studies. (4mks)

|  |  |
| --- | --- |
| **Statement** | **Term**  |
| 1. Movement of goods and services from producers to consumers
 |  |
| 1. Creation of goods and services
 |  |
| 1. Using a good or service
 |  |
| 1. Satisfaction derived from using a good or service.
 |  |

2. Give four sources of business ideas. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

3. Outline four measures taken by an official business to safeguard an organization’s property. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

4. Outline four advantages of an enclosed office layout. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

5. State four factors of production giving a reward for each. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

6. Identify the external environmental factors affecting business operations as described by the following. (4 marks)

|  |  |
| --- | --- |
| Statement | Factor |
| 1. Law and policies that regulate business activities.
 |  |
| 1. Affects buyer’s ability to buy commodities offered by a business.
 |  |
| 1. Firms selling similar products trying to outdo each other.
 |  |
| 1. Dictates how people live and what products they consume.
 |  |

7. Give four reasons why office documents should be filed. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

8. Outline four reasons why choice is important in the satisfaction of human wants. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

9. Highlight four roles of an entrepreneur in an economy. (4 mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

10. Identify four characteristics of land as a factor of production. (4 marks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

11. Identify four characteristics of economic resources (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

12. A form four School leaver intends to start a business. Outline four ways in which knowledge of business studies will benefit him. (4 mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

13. Identify the component of business studies described below. (4 marks)

|  |  |  |
| --- | --- | --- |
|  | **Description** | **Component** |
| a) | Human activities that assist trade to take place |  |
| b) | A clear orderly way of recording business activities for easier decision making. |  |
| c) | Activities such as communication, filing, and reproduction of documents carried out in an office |  |
| d) | Understanding how human being attempt to meet their endless wants from very scarce materials |  |

14. State **four** ways in which Kenya as a country can conserve its economic resources. (4 marks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

15. Outline **four** ways in which the legal political environment can influence the activities of a business. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

16. State **four** advantages of a franking machine. (4 marks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

17. Highlight **four** difficulties faced in satisfaction of human wants. (4 marks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

18, Highlight **four** factors that may lead to the success of a business enterprise. (4 marks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

19. Give **four** reasons why shelter is a basic human want. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

20. State the level of production that matches the following occupations (4mks)

|  |  |  |
| --- | --- | --- |
|  | **Occupation** | **Level of production** |
| a. | Carpentry |  |
| b. | Lumbering |  |
| c. | Fishing |  |
| d. | Banking |  |

21. Highlight **four** reasons why most organizations prefer locating their offices in the outskirts of town. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

22. Outline four characteristics of direct production. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

23. Outline four consequences of a poor filing system in an organization. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

24. Highlight four benefits of a business plan to an entrepreneur. (4mks)

a) ………………………………………………………………………………………………

b) ………………………………………………………………………………………………..

c) ………………………………………………………………………………………………

d) ………………………………………………………………………………………………

25. State the best type of machine one would use to perform the following tasks. (4 marks)

|  |  |  |
| --- | --- | --- |
|  | **Functions** | **Type of machine** |
| (a) | To fold documents put them in an envelope and seal them |   |
| (b) | To destroy sensitive but unwanted documents |  |
| (c) | To make exam copies of a certain original document |  |
| (d) | To trim papers to the required sizes |  |