

ASUMBI GIRLS HIGH SCHOOL
TERM 2– DECEMBER 2021
FORM 4 – BUSINESS STUDIES PAPER 1
MARKING SCHEME

Question one

- They can't be postponed
- They are felt needs
- Limited resources
- One can't do without them

Question two

- Nominal account
- Real account
- Creditors
- Private



Question three

- They are only two sectors in the economy
- Households spend all their incomes on goods and services produced by the firm
- Firms spend all their revenue on factors of production provided by households
- No government intervention
- The economy is closed

Question four

- Facilitates easy collection of revenue
- Control entry of harmful goods
- For easy re-exportation
- To enable inspection of goods
- To collect information on goods entering the country
- Enables the country to control quality and quantity of goods

Question five

- Frictional
- Cyclical
- Erratic/casual
- Voluntary

Question six

- Overdraft facilities are available
- Payments are made very conveniently because cheques are used
- Not required to maintain any minimum balance
- Bank statements are usually sent to the account holder regularly

Question seven

- Decreasing the volume of imports
- Increasing the volume of exports
- Encouraging foreign investment into the country
- Devaluation of currency
- Restricting outflow of capital

Question eight

- Marketing economies
- Financial economies
- Risk bearing
- Managerial
- Technical
- Research
- Welfare

Question nine

- No effect
- Decrease
- Increase
- No effect

Question ten

Foreign producer → local wholesaler → retailer → consumer

Foreign producers → local consumer

Foreign producer → local wholesalers → consumer

Question eleven

- Speedy customer service
- Confidentiality of business records
- Records can easily be retrieved
- Clean and tidy records produced
- Minimum storage space required
- Accuracy is enhanced
- Information is easily portable
- Labour saving

Question twelve

- Creating a new good
- Improving on an existing product
- Improving the process of production
- Improving the marketing strategies
- Offering unique services
- Improving the quality of services

Question thirteen

- Help farmers get better prices for their produce
- Assist farmers input at free or reduced prices or on credit
- Offer useful advise on farming
- Grant loans for farmer's development
- Provide a channel of distribution of loans offered by the government to relevant members
- Provide better storage facilities for the products

Question fourteen

- Hawking/peddling

- Road side selling
- Open air market trading
- Automatic vending
- Online selling

Question fifteen

- easy handling of goods
- less damage to goods
- safety because they are sealed at the loading points
- low premium charges due to less risks
- use of specially designed containers for special goods
- reduced inspection hence less disturbance to goods

Question sixteen

- Increase in cost of production
- Inavailability of factors of production
- Reduction of other related products
- Poor state of technology
- Unfavorable government policy
- Unfavorable natural factors

Question seventeen

Question eighteen

Formed when a group of manufacturers agree to act as one

Fix prices

Fixing quantity to be supplied

Question nineteen

- Free on Board
- Cost Insurance and Freight
- Free Alongside Ship
- Free on Rail

Question twenty

Working capital = current assets – current liabilities

$$120,000 - 60,000 = 60,000$$

Rate of return on capital employed

$$100,000 / 460,000 \times 100 = 21.73\%$$

Question twenty one

- Low natural resource endowment
- Inadequate capital
- Poor technology
- Poor human resource endowment
- Unfavorable domestic environment

Question twenty two

- Cost
- Nature of the product
- Target group
- Objectives of the promoting firm
- Methods used by competing firms
- The law

Question twenty three

- Regressive
- Proportional
- progressive

Question twenty four

- Determining basket of goods or commodities
- Difficulty in determining the base year
- Differences in prices of goods
- Difficulty in the choice of the average to be used

Question five

$$(900,000 \times 500,000) / 1,200,000 = 375,000$$

