

MARKING SCHEME FORM 3

MARKING SCHEMES BUSINESS STUDIES FORM 3

1. Benefits of studying business studies include.

(4mks)

- a) He acquire knowledge and skills that enables him run business
- b) He would appreciate the role of business in provision of goods and services
- c) He would appreciate the need of ethical practice and efficient business management.
- d) He would the role of government in business activities.
- e) He would understand the role of communication and information technology in modern business management.
- f) He would acquire self-discipline and positive attitude toward work.
- g) He would get a firm foundation for further education and training
- h) He would develop positive environmental and health practice

2. Barriers to effective communication.

(4mks)

- a) Language barrier
- b) Poor listening skills
- c) Poor timing
- d) Negative attitude
- e) Prejudice
- f) Noise
- g) Lack of confidence

3. Characteristics of a successful entrepreneur.

(4mks)

- a) Should be good oriented
- b) Should be confident
- c) Should be able to network
- d) Should have desire to achieve
- e) Should be a problem solver/ability to solve problem
- f) Should be ready to take risk

4. Human wants one would satisfy.

(4mks)

- a) Secondary
- b) Basic
- c) Secondary
- d) Basic

5. Reasons for starting a business.

(4mks)

- a) To generate income/profit
- b) To create employment for himself/herself and others
- c) To provide goods/service to the people
- d) To utilize the available resources
- e) To channel his creativity/ innovativeness
- f) To utilize his leisure time/keep himself busy

6. Features of sea liners in sea transport include:

(4mks)

- a) They ferry passengers or cargo
- b) Follow a regular time table/schedule
- c) Call at port at regular intervals
- d) Follow a regular route
- e) Form conferences to protect themselves against unfair competition
- f) Charge fixed freightage and fare regardless of demand

7. Advantages of a bonded warehouse to the importer.

(4mks)

- a) Helps importer to prepare goods for sale
- b) Secure goods against risks like theft
- c) Importer can look for market when goods are still in the bonded warehouse
- d) Importer can look for money to pay custom duty.
- e) Burden of paying custom duty goes to the new buyer if goods sold while still in the bonded warehouse
- f) Quality of goods and wine improves fetching higher prices

8. Features of land as factor of production include:

(4mks)

- a) It is geographically immobile
- b) Supply of land is fixed
- c) It's a basic factor of production
- d) It's a natural resource
- e) Its fertility/productivity differs from one place to another.
- f) The reward of land is rent, rates and royalties

9. Limitations that make consumers' initiated methods ineffective in protecting consumers in Kenya.

(4mks)

- a) Lack of proper registration on consumer protection
- b) Poor funding to undertake their operations
- c) Poor /inadequate /government support
- d) Ignorance by consumers on existence of avenues to follow to ensure they are not exploited
- e) Lack of adequate information by consumers about their rights.
- f) Majority of consumers buy goods individually.
- g) Lack of strong bodies for collective bargaining
- h) Emergence of vigilante groups.

10. Rewards of the resources as used in production include:

(4mks)

- a) Wages
- b) Rent
- c) Profit
- d) Interest

11. Types of insurance policies include:

(4mks)

- a) Burglary or theft policy
- b) Motor vehicles insurance
- c) Fire policy
- d) Goods on transits policy
- e) Employer's liability policy/workman's compensation policy
- f) Fidelity guarantee policy

- g) Consequential loss/loss of profit policy
- h) Glass plate or showroom policy
- i) Bad debtors' policy.

12. Ways of implementing a business idea. (4mks)

- a) Creating a new good
- b) Improving on existing good
- c) Improving the process of production
- d) Improving the marketing strategies
- e) Offering unique services
- f) Improving quality of services
- g) Improve quality of goods

13. Characteristics of chain stores include: (4mks)

- a) Made up several shops located in different places but all owned by one management
- b) Branches are coordinated from a head office
- c) The branches have similar outlooks
- d) The branches sell similar goods
- e) Their prices are standardized in all branches
- f) Buying of stock is done collectively for all branches
- g) The promotional activities are collectively done for all branches

14. Importance of communication to a business. (4mks)

- a) Promote public relations
- b) Help people in charge to issue instructions
- c) Helps to clarify issues
- d) Enable coordination of business
- e) Help to enhance the image of the business
- f) Leads to improved production in business
- g) Help to promote interpersonal relationships in business
- h) Lead to provision of better services to the customers

15.Types of business environment. (4mks)

- a) External
- b) Internal
- c) Internal
- d) External

16. Duties of commercial attachees. (4mks)

- a) Identifying markets for their countries products.
- b) Evaluating the performance of their country's products
- c) Advising traders on standards and legal requirements of products in foreign countries.
- d) Developing trade agreements between their countries and foreign countries.
- e) Organizing trade fairs and exhibitions for their country's products in foreign countries.

17.Circumstances under which cash with order may be used include: (4mks)

- a) When the business is conducted through past/mail order business

- b) Where the buyer is new
- c) Where the buyer's credit worthiness is in doubt
- d) When the seller's policy is not to advance credit
- e) When the seller wants to avoid the high cost of debt collection.
- f) When the seller needs working capital
- g) When the seller wants to avoid debtors' record maintenance

18. Advantages of containerization include: (4mks)

- a) Reduces incidences of pilferage and damage of goods since handling of goods is limited
- b) Loading and off-loading of goods is highly mechanized hence containerized goods are handled quickly thus saving time
- c) Containers carry big quantities of goods than if goods are stored on the floor of the ship thus saving space
- d) Because of the enhanced security of the goods the insurance premiums are low
- e) Packing cost are minimized since goods are packed at the factory usually using conveyor belts.
- f) Special containers can be made to facilitate carriage of special goods

19. Features of services. (4mks)

- a) Are intangible
- b) Can't be stored
- c) Can only be experienced or felt.
- d) Inseparable from the service provider
- e) Highly perishable

20. Reasons about poor services in Wakulima warehouse. (4mks)

- a) Unsuitable poor location that inconveniences the trader
- b) Inappropriate equipment
- c) Not secure/poor security system
- d) Inadequate space
- e) Poor inventory control system
- f) Lack of clear procedure leading to delay in receiving goods
- g) Untidy environment
- h) Lack of specialized facilities to store special goods
- i) Not adhering to government policy/strong illegal goods

21. Advantages of running a sole proprietorship business. (10mks)

- a) It is easy to form because only a trading license is required to start a sole proprietorship
- b) Quick decision making due to lack of consultation
- c) They are flexible since one can easily adapt to the changes in the market due to quick decision making.
- d) The owner enjoys all profits because there is no sharing
- e) The owner is able to maintain business secrets which enhances confidentiality
- f) The owner is able to offer personalized services to the customers due to personal contact
- g) The sole trader is accountable to himself/herself and thus he/she enjoys freedom and prestige

22. Ways in which the working environment can be improved. (10mks)

- a) Provision of proper and adequate lighting

- b) Maintaining tidiness in the office/cleanliness
- c) Provision of adequate space of working
- d) Provision of proper ventilation
- e) Provision of relevant furniture and equipment
- f) Beautifying the office to give it a pleasant appearance
- g) Provision of smoking zones
- h) Discourage unnecessary noise
- i) Provision of adequate furniture and equipment
- j) Provision of welfare facilities (tea, lunch, music)
- k) Provision of special facilities for disadvantaged