

# END OF TERM 1 EXAMS

## BUSINESS STUDIES

### FORM ONE

TIME: 2 HOURS

NAME.....ADM NO:.....

SIGN.....

INDEX NO:.....

#### SECTION A (40 MARKS)

1. Define the following terms as applied in business studies (4mks)

a) Accounting.....

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b) Production.....

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c) Utility.....

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d) Human

wants.....

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2.State five challenges encountered in the satisfaction of human wants **(5mks)**

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3.State four reasons as to why a poorly laid out business structure is likely to lead to failure of a business **(4mks)**

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4.a)Differentiate between generic and enterprise competition **(2mks)**

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b)Classify each of the following into generic or enterprise competition (3mks)

ACTIVITY	FORM OF COMPETITION
A coffee seller competing with a tea seller	
A television station competing with a radio station in enterpreneuring customers	
Kenya Literature Bureu competing with longhorn publishers in book selling	

5.a)Differentiate between consumer goods and capital goods. Give an example in each case.(4mks)

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b) Define the term opportunity cost (2mks)

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c) Complete the table below (4mks)

Activity	Form of utility
Delivering milk to a customer	
Making uniform to a student	
Keeping savings in a bank	
Selling books to a student	

6. State four components of business studies (4mks)

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7. List down four factors of production and the reward for each (4mks)

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8. Identify by use of a tick (✓) whether the following resources are renewable or non renewable (4mks)

Resource	Renewable	Non- renewable
Wood		
Natural gas		
Soda ash		
Aluminium		

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## SECTION B (30MKS)

9.State six characteristics of labour as a factor of production **(6mks)**

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10.Differentiate between division of labour and specialization (4mks)

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11.Discuss five categories of goods and services produced in an economy **(10mks)**

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12.a)Name two categories of tertiary level of production **(2mks)**

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b)State five characteristics of economic resources**(5mks)**

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c)Name three external environments likely to affect operations of a business (3mks)

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