

**PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
UKEREWE DISTRICT COUNCIL**



**FORM ONE EXAMINATION
BUSINESS STUDY**

1. Multiple choices (1 mark @, total = 10 marks)

i	ii	iii	iv	v	vi	vii	viii	ix	x
D	C	B	C	A	B	B	C	C	A

2. Matching Items (1 mark @, total = 5 marks)

LIST A	i	ii	iii	iv	v
LIST B	G	B	C	F	A

SECTION B (70 Marks) Answer All Questions

3. Differences. (10marks @2marks)

- i. **Needs** are goods or services an individual must have to survive.
Examples of needs are food, shelter and water. While **wants** are goods or services an individual desires even when they are not essential. Examples of wants are televisions, motorcycles and jewellery.
- ii. **Goods** are valuable items (things) that satisfies human needs or wants.
Example of goods are clothes, cars and sweets. While **services** are intangible outcomes of human efforts that satisfy human needs and wants. Examples of services are car washing, health care and online payment.
- iii. **Scarcity** means shortage in supply of resources while **opportunity** cost is the second best alternative foregone after making a choice.
- iv. **Production** is a process of transforming raw materials into finished products to satisfy human needs and wants. Example of production A tailor transforms a fabric into a type of a cloth while **consumption** is the act of using goods and services to satisfy human needs and wants. Example of consumption is people consume food to satisfy hunger.
- v. **Entrepreneurship** is the process of taking risk to initiate, organise and control facts of production such as land, labour, and capital to start and manage a business while **entrepreneurship** is a type

of entrepreneurship that is a dynamic approach that encourages employees within an organisation to think and act like entrepreneurs.

1. Five importance of business studies (10Marks @2marks)

- a **Entrepreneurship and innovation;** Business studies nurture as entrepreneurship/mindset by teaching how to identify opportunities create innovation solutions and manage the risk associated with starting and growing businesses.
- b **Understanding customer needs and presences;** Business studies help student to realize and appreciate the role of business in the provision of goods and services which satisfy customer’s needs and wants
- c **Critical thinking and problem solving;** Students develop critical thinking skills as they analyse business situation, make decisions and solve complex problems related to management, marketing, finance, procurement and operations
- d **Global perspective;** Business studies often explores international trade, globalization, and cross-cultural communication, festering an understanding of how business operate in a globalized world
- e **Financial literacy;** Studying business equips individuals with financial literacy to help them manage personal finances, understand investments, and make informed decisions about savings and borrowing
- f **Career opportunities;** Business studies offer a wide range of career opportunities in field such as marketing, finance, human resources, management, consulting and entrepreneurship.
- g **Soft skills development;** Student learn communication, team-work, leadership and negotiation skills that are applicable in both professional personal contexts
- h **Ethics and corporate social responsibility;** Business studies address ethical considerations and corporate social responsibility, encouraging responsible and ethical business practices that contribute to sustainable development in the society
- i **Adapting to change;** business environments are constantly evolving. Studying business equips the student with skills to to changes, technological advancements and shifts in market trends
- j **Contribution to society;** Successive business drive economic growth, create jobs, and contribute to the overall well-being of society. Business Studies provide insights into how businesses can positively impact communities.
- k **Interdisciplinary learning;** Business Studies often intersects with various disciplines such as economics, psychology, sociology and technology, offering a multidimensional understanding of how these fields interact in real- world scenarios.

5. Types of Entrepreneurship (*1 marks @, total = 10 marks*).

S/N	Classification
i	Business Entrepreneurship
ii	Corporate Entrepreneurship
iii	Social Entrepreneurship
iv	Business Entrepreneurship
v	Corporate Entrepreneurship
vi	Social Entrepreneurship
vii	Business Entrepreneurship

viii	Corporate Entrepreneurship
ix	Social Entrepreneurship
x	Social Entrepreneurship

6. (a) Four Business Management Skills. (04 marks@ 1mark)

- i) **Financial Management Skills;** This is an ability to manage business finances. It is important for an entrepreneur to be able to predict a business cash, sales, as well as profit and loss. An entrepreneur may operate an enterprise effectively and safeguard financial investment by developing strong financial management skills
- ii) **Sales and marketing skills;** This skills is crucial as it helps an entrepreneur to property market products. An entrepreneurs is likely increase sales by offering excellent customer service and putting a marketing strategy in place
- iii) **Decision Making Skills;** This is an ability that supports the capacity to select an alternative among the possible solution to problems. This ability enables an entrepreneur to make well-informed judgments after gathering important facts and data, considering all possible outcomes, seeking inputs from others and trusting their own instincts
- iv) **Negotiation Skills;** This is the entrepreneur's ability to resolve an issue in an acceptable and clear manner with others. An entrepreneur face issues, discusses them and bargains to gain advantages for won businesses. Thus, require negotiation skills in order to acquire business deals such as getting new customer or mining new contracts.

(b) Six importance of Entrepreneurship (6 marks@ 1marks)

- i. **Creating employment;** Entrepreneurial activities create employment opportunities through establishment of enterprises. An entrepreneur creates jobs one self as well as those who will be employed in that business. For example starting a catering services creates jobs for a number of people who might be employed as cooks and waiters
- ii. **Promotes innovation;** Entrepreneurship fosters innovation which enhance the creation of new and improved products, markets, sources of raw materials, production system, and organizations. Through innovation, organizations, businesses and people survive and complete in markets and increase their business life cycles
- iii. **Fosters economic development;** Entrepreneurship fosters economic development through established enterprises which create job opportunities for the people. It reduces the rate of unemployment. The enterprises also create new product which satisfy consumer needs and wants within and outside the country, hence they contribute to the national income
- iv. **Promotes social change;** Entrepreneurship promote social change by making entrepreneurs think beyond ordinary ways of doing things and hence, brings social changes such as improved lifestyle, generous thoughts, moral, and better finances options in society. By doing so, they provide innovative solutions to solve social problem, such as access to food, money, and education
- v. **Encourages investment;** Through market research on the availability of various business opportunities, entrepreneurs establish new types of businesses in different economic sectors, which lead to increased investment
- vi. **Stimulates competition;** Entrepreneurs often compete for the same market and resources, hence, they ensure production of quality and sufficient quality of good and services with affordable price to win the market.

7. (a) Six characteristics of sole proprietorship (6marks @1marks)

- i. **Single owners.**

- ii. **Flexibility.**
- iii. **No profit and loss sharing.**
- iv. **Unlimited liability.**
- v. **Start- up capital.**
- vi. **Stability.**

(b) Four business processes (4marks @ 1 marks)

- i. **Production** is a process of transforming raw materials into finished products to satisfy human needs and wants. Example, A tailor transforms a fabric into a type of a cloth such as a trouser.
- ii. **Distribution** is a process of moving goods and services from where they produced to where are needed for consumption.
Example, Manufactured sugar is transported from Mtibwa sugar company in Morogoro region to wholesalers, retailers or consumer
- iii. **Exchange;** It involves buying and selling goods and services between two or more parties.
Example a tailor can produce clothes for selling and not for his or her own consumption.
- iv. **Consumption;** It is the act of using goods and services to satisfy needs and wants. Example, people consume food to satisfy hunger

8. (a) Examples of sole proprietorship –

- i. small shops,
- ii. salons,
- iii. butchers,
- iv. hawkers restaurants,
- v. milling machines,
- vi. motorcycle transport,
- vii. car wash, kiosks,
- viii. agriculture,
- ix. cobblers,
- x. fruits and food vendors **any four points 1 marks @=4**

(b) **Advantages of a sole proprietorship**

- a. Easy to form a business.
- b. Quick decision making in all matter concerning business operations.
- c. Independence in decision making.
- d. Easy to supervise.
- e. Small start up capital.
- f. Direct relationships with customers.
- g. Enjoy all business profit.

Disadvantage of a sole proprietorship

- a. Unlimited liability.
- b. Limited skills.
- c. Uncertainty in continuity..
- d. Working hours.
- e. High costs of production.
- f. Difficult to expand the business.

xi. **Factors of Production in Mama Rehema's Bakery (2 marks @, total = 10 marks):**

- i) **Land** – Ingredients like flour, sugar, and eggs (natural resources).
- ii) **Labour** – The two young women hired to bake and serve customers.
- iii) **Capital** – Baking ovens and rented shop.
- iv) **Entrepreneurship** – Mama Rehema planning, supervising, and managing the bakery.

SECTION C (15 Marks)

10. The Components/Scopes of business

Introduction (2 marks)

Definition of business

Examples of business

Main body (12 marks) Scopes of business

studies (any 6 points):

Business environment

Entrepreneurship

Marketing

Finance and accounting

Human Resource Management

Economics

Business management

Risk management

Business laws and Regulations

Conclusion (1 mark)