

**Annual Examinations for Secondary Schools 2014**

**FORM 3**

**BUSINESS STUDIES**

**MARKING SCHEME**

The aim of this Marking Scheme is to ensure a greater degree of objectivity in marking the exam papers. However, when different answers are given from those listed below, it is at the discretion of the teacher as to whether the marks should be allotted or not.

**SECTION A**

**10 marks in total – 1 mark for each correct answer.**

1.	Human Resources	<b>6</b>	Portable
2.	Basic Needs	<b>5</b>	Paper napkins
3.	Capital Goods	<b>8</b>	Ending employment
4.	Main reason for business activity	<b>1</b>	Workers
5.	Non-durable good	<b>3</b>	Machinery used for production
6.	Characteristic of Money	<b>9</b>	Cargo ship
7.	Communication	<b>11</b>	Factor payment for land
8.	Retirement	<b>2</b>	Food, clothing, shelter
9.	Sea Transport	<b>7</b>	Passing of information
10.	Wholesaler	<b>4</b>	Profit
11.	Rent	<b>10</b>	Sells in bulk

**SECTION B**

**10 marks in total – 1 mark for each correct answer.**

In our life we have unlimited **wants** and limited **resources**. This economic problem is called **scarcity**. And because of this problem we have to make **choices** which are based on our scale of **preference**. This means that we decide on the basis of what gives us the most **satisfaction**. For examples, we need food, entertainment and computer games. **Food** is an example of basic needs, while **computer games** and **entertainment** are examples of luxurious wants. Every decision that we make has **opportunity cost** which is the sacrifice in terms of the next best option left unsatisfied.

**SECTION C**

**5 marks in total – 1 mark for each correct answer.**

1 (c); 2 (a); 3 (c); 4 (b); 5 (b)

## SECTION D

50 marks in total – 25 marks for each Question.

1. (a) *One from:* sole trader, sole owner, sole proprietor (2 marks)
- (b) Private Sector (1 mark)
- (c) Tertiary Stage (1 mark)
- (d) **Call for Applications:** it is an invitation for anyone interested to apply for a vacant post. (2 marks)  
**Job Description:** a list of the tasks, duties and responsibilities attached to a particular post. (2 marks)  
**Job Specification:** a list of the personal qualities, experiences and qualifications needed for a particular post. (2 marks)  
**Off-the-Job:** this training is done outside the place of work or even in other countries and is usually more effective because it is done by professional staff. (2 marks)
- (e) If it is turned into a partnership, then the business would have more than one owner and so would not remain as a sole trader business. But if employees are recruited, the business would still be owned by the sole trader. (2 marks)
- (f) Human Resources Department. (1 mark)  
*Any one from:* record keeping of employees; education & training of personnel; dealing with promotions, resignations, retirements, dismissals & redundancies; industrial relations; welfare of employees; disciplinary action. (1 mark)
- (g) *Naming one from:* Maslow's; Herzberg's; or McGregor's theories. (1 mark)  
*Explanation of the theory.* (4 marks)
- (h) *Any one from:* job satisfaction; recreational facilities; environment of work; job security; friendly colleagues; holiday arrangements; health and safety; promotion prospects. (2 marks)
- (i) For an employee to be happy at work and be productive, he/she needs a pleasant environment to work in with good conditions in order to increase his job satisfaction. Some things are not obtained from a good salary only. (2 marks)
2. (a) Advertising is the use of one or different types of media to communicate with the public about the product/s of a firm/business organisation. (2 marks)
- (b) **Informative advertising** is where the main aim of the advertising is to inform the public (and is usually factual). (2 marks)  
**Persuasive advertising** is that advertising which tries to persuade the public to buy a particular product. (2 marks)

- (c) *Any three (3) of the following:*  
sex appeal; ambition; personality appeal (famous people); social acceptability; work simplification; health; comfort; luxury. (3 x 1 mark)
- (d) (i) *Any one of the following advantages:* watched by many; includes vision and colour; may include acting; includes vision and sound; may include popular music; may include famous persons; may be linked to popular programmes; the television is influential on many people; advert finance part of the cost of programmes; *or any other advantage deemed suitable.* (1 mark)  
*Any one of the following disadvantages:* expensive; may be unethical; may create unnecessary demand (need); may be wasteful as people may not watch adverts (people may do something else during adverts); programmes being split by adverts; *or any other disadvantage deemed suitable.* (1 mark)
- (ii) *Any one of the following advantages:* may be seen by many people; may be seen over and over again; relatively not expensive; may have the use of colour; may be inserted in popular articles; advert finance newspapers; *or any other advantage deemed suitable.* (1 mark)  
*Any one of the following disadvantages:* people may skip adverts in a newspaper; it is a waste of space; boring (usually in black and white); only pictures and writing are used; may create unnecessary demand; *or any other disadvantage deemed suitable.* (1 mark)
- (iii) *Any one of the following advantages:* may be heard in many places; may be heard many times; almost everybody has a radio; the advert would reach illiterate people; may involve acting; cheaper than TV advertising; *or any other advantage deemed suitable.* (1 mark)  
*Any one of the following disadvantages:* cannot be seen; people may not pay attention to adverts; people hear the radio while doing something else; the radio is not as popular as before; *or any other disadvantage deemed suitable.* (1 mark)
- (iv) *Any one of the following advantages:* may be seen by many people; may be placed in many locations at the same time; billboards may embellish the environment; billboards may be artistic; *or any other advantage deemed suitable.* (1 mark)  
*Any one of the following disadvantages:* there could be hoarding in public areas; drivers may get distracted and accidents may occur; outdated adverts on billboards do not look beautiful; people may not notice them in roads where there is heavy traffic; *or any other disadvantage deemed suitable.* (1 mark)
- (e) (i) **Branding** is the identification of a product by giving it a unique name under which it is marketed. (2 marks)  
(ii) A **trade mark** is a name, logo or symbol used to distinguish a product. (2 marks)  
(iii) **Penetration pricing** is when a business sets a low price for a product in order to gain a good market share quickly (**OR** in order to enter an already existing market). (2 marks)

- (f) *Any one of the following:*  
capturing the market; creaming (skimming) the market; cost plus pricing;  
price discrimination. (2 marks)

## **SECTION E**

### **10 marks in total.**

- 1) *The student should list and describe the five disadvantages of the Barter system namely:*  
need for a double coincidence of wants; divisibility problems; difficulties in fixing fair rates  
of exchange; wealth cannot be stored; cannot plan for the future. (5 x 2 marks)
  
- 2) *The student should list and describe the main features of the Public Sector Businesses  
namely:* Government Departments; (2 marks)  
Public Corporations; and (4 marks)  
Local Councils. (4 marks)
  
- 3) *Students should describe the work of the Research & Development Section:* technical  
development of new or existing products; solving of technical problems; testing; research on  
new equipment. (8 marks)  
This department is important for the others as it improves products and indirectly sales and  
so its workings are vital for the whole firm. (2 marks)