

# FORM ONE BUSINESS STUDIES NOTES

**MR ISABOKE MICAH**

**0714497530**

## About the book

Education is a key for a country's development, but it becomes a hindrance when it is unequally distributed. This big problem of disparity in Education system can be solved through technology. Hence it's high time we embrace technology in Education sooner than later. Teachers will therefore use the book in their laptops to teach and even give students notes to read online after revision. The design of this book make it lively and interesting for both teachers and students as it take us away from the monotony of black and white books. The book is divided into two parts: Theory and Accounting. We have past K.CSE questions at the end of every topic for further understanding and testing.

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## Business Studies (565)

**Paper 1: 2 hours - 100 marks** The paper will consist of 25 compulsory short answer questions. **Paper 2: 2 ½ hours -100 marks** The paper will consist of six (6) essay questions for candidates to *answer five (5)*. The questions will cover all or any of the areas that make up the course - *Commerce, Entrepreneurship, Accounting, Office Practice and Economics*.

### CHAPTER ONE

#### Specific Objectives

By the end of the topic the learner should be able to:

- a) Explain the meaning of business studies;
- b) Explain the importance of business studies in society.

#### Content

Meaning of business studies

Importance of business studies in society

## INTRODUCTION TO BUSINESS STUDIES

### Definitions

#### Business

The term business refer to any activity that is carried out by an individual or organization with an aim of making a profit.

#### Business studies

This is the study of the activities that are carried out in and around production, distribution and consumption of goods and services.

#### Goods

These are items or things that are tangible in that they can be touched and felt.

#### Services

These are actions or activities that may be sold and they are intangible.

## Production

This is the Creation of goods and services or increasing their usefulness through activities such as transporting them to where it is required. People who produce goods and services are called producers.

## Distribution

This is the movement of goods and services from producers to the users. Activities taking place during distribution.

Transportation

Storage

Insurance.

Communications

Buying and selling

Banking

Advertising

## Consumption

This is the usage of goods and services. Those who use the goods are called consumers.

## Economics

This is the study of how human beings strive to satisfy their endless wants using the available scarce resources.

## Commerce

This is the study of trade and aids to trade. Aids to trade are human activities or services that assist trade to take place such as transport, banking, warehousing and communications.

## Accounting

This refers to a systematic way of recording business activities which are used for decision making.

## Office Practice

This refers to all the activities that are carried out in an office. For example, communication, filing, reproduction of documents and clerical work.

## Entrepreneurship

This is the study of the activities involved in the process of identifying a business opportunity and acquiring the necessary resources to start and run a business.

## Importance of business studies in the society

Assist members of the society to relate the knowledge, skills and attitudes acquired to the day to day running of the business.

Equips the members of the society with skills and knowledge to start and run a business

Assist the individuals with in appreciating the role of business in provision of goods and services.

Makes the members of the society to appreciate the need for good business management practices.  
Helps individual to attain self-discipline and positive attitude towards work.  
Equips the individual with knowledge and skills to require to evaluate business performance.

End of topic

Did you understand everything?  
If not ask a teacher, friends or anybody and make sure you understand before going to sleep!

## Past KCSE Questions on the topic

### PAPER 1

1. Highlight four ways in which business studies is useful to a community. (4mks)

# **BUSINESS AND ITS ENVIRONMENT**

## CHAPTER TWO

### Specific Objectives

By the end of the topic the learner should be able to:

- a) Explain the meaning and purpose of a business;
- b) Identify various business activities;
- c) Identify various types of business environments;
- d) Explain how the various business environments influence a business;

### Content

Meaning and purpose of a business

Business activities

Business environment:

Internal

External

Effects of various business environments on a business

## Introduction

### Purpose of a business

The main purpose of starting a business include:

To help individuals to interact with other people.

To earn foreign exchange.

To earn money for your basic needs.

To create job opportunities.

To enable an individual acquire other goods and services.

### Types of business activities

The main type of business activities are as follows:

#### Extraction

This involves obtaining goods from their natural settings. These activities are:

Lumbering

Fishing

Mining

Farming

#### Processing of raw materials

This involves changing the form of a good without combining it with other goods. Examples include:

Grinding

Refining

#### Manufacturing

This involves combining different raw materials to come up with one final product.

#### Construction

This involves building of structures such as roads, bridges and buildings.

#### Distribution of goods

This refers to movement of goods from where they are produced to where they are needed. People who carry out distribution are called distributors. Examples include:

Retailers

Wholesalers

#### Trade

This is the buying and selling of goods with an aim of making a profit.

#### Provision of Services

This is the selling of services to consumers .Services include:

Hair stylist

Car washer

Electrician

Insurance companies.

### Business Environments and their Effects on the business

This refers to conditions or factors that affect business operations. They are divided into two;

Internal environment

External environment.

## Internal environment/micro-environment

This consist of factors which are within the business unit itself. These factors include:

### Business structure

This is a formal arrangement of activities that are carried out at various levels of the organization so that the objectives of the business can be achieved.

### Resources

These are things used to achieve an objective of an organization. They include:

Human resource

Financial resources

Physical resources

technology

### Business culture

Combinations of employees, expectations, beliefs and values within the business.

### Owners

These are people who provided finances to start the business.

## External environment/macro- environment

These are factors that affect the business from outside. These factors include the following factors:

### Economic environment

These factors affect the buyer's ability to buy goods offered to them by a business. They include:

Changes in income.

Changes in tax rates.

Changes in price of other related goods

### Demographic environment

This is the population change. Increase in population increases the ability to buy more goods compared to reduction in population. It include the following:

Size of the population.

Geographical distribution.

Age and sex distribution.

Birth and death rates.

### Legal – political environment

These are laws and policies that regulate business activities. Hence the business to be formed in a country must be in line with the laws and regulations.

### Technological environment

Technology ay refer to the level of know how or efficient use of tools and equipment. Advancement in technology will lead to better quality goods and services.

### Cultural Environment

Culture are the norms that regulate behaviors of people in a society. Culture dictates how people live and what they consume.

#### Competitive Environment

This is where firms are trying to outdo each other in their efforts to maximize profits.

#### Physical Environment

Physical environment include factors such as:

Relief and climate.

Infrastructure like roads, water supply, electricity and banks.

Good infrastructure may support business activities compared to poor infrastructure.

End of topic

Did you understand everything?

If not ask a teacher, friends or anybody and make sure you understand before going to sleep!

Past KCSE Questions on the topic

## SATISFACTION OF HUMAN WANTS

### CHAPTER THREE

#### Specific Objectives

By the end of the topic the learner should be able to:

- a) Explain the meaning and characteristics of human wants;
- b) Classify human want;



- c) Explain the meaning of goods and services;
- d) Discuss characteristics of goods and services;
- e) Explain the meaning and characteristics of economic resources;
- f) Relate the concepts of scarcity, choice and opportunity cost to real life situations.

### Content

Meaning and characteristics of human wants

Types of human wants

Meaning of goods and services

Characteristics of goods and services

Economic resources

Relation between scarcity, choice and opportunity cost to real life situations

## Introduction

### Human wants

These are the desires that human beings strive to satisfy by using goods and services.

### Satisfaction of human wants

This is the process of acquiring and using goods and services.

### Characteristics of human wants

**They are complementary**

Satisfaction of one want may lead to another want.

**Competitive**

They compete for attention such that each one of them yearns to be satisfied first.

**Vary in urgency and intensity**

The amount of goods to be satisfied vary from one person to another and from time to time depending on age, sex and situation.

**They are insatiable**

Human wants cannot be fully satisfied because they are endless and unlimited in number.

**They require resource**

Human wants requires resources to be satisfied such as money

**Some are universal**

Most human wants are common to everybody although they vary in quantities.

**They are recurrent ( repetitive)**

A particular want will demand to be satisfied over and over again because wants are not fully satiable.

## Types of human wants

### Basic wants/needs/primary wants

These are requirements that one cannot do without because they are necessary for life. They fall under food shelter clothing.

### Characteristics

One cannot do without them.

They are felt needs.

They cannot be postponed.

They are satisfied before secondary wants.

### Secondary wants

These are requirements that one can do without but they are required to make life more comfortable. They are categorized into:

**Comfort**

These are wants that improve one's living standards beyond the level of mere survival

**luxury**

These are requirements that provide excessive comforts.

## Goods and services

Goods are physical commodities that are tangible while services are actions which are intangible.

### Characteristics of goods

**Are tangible**

They can be touched and felt because they are material.

**Can be stored**

They can be stored for future .The ones that can be stored for longer time are called durable goods while perishable goods cannot be stored for a longer time.

**Quality can be standardized**

The quality of goods can be made uniform through mechanization.

**Can change possession**

Goods can change ownership from one person to another through trade.

**Can be seen**

Most goods can be seen except for a few exceptions such as air.

**Can change in quality over time**

Some goods may lose value over time such as motorcars and furniture.

## Characteristics of services

**Are intangible**

They cannot be felt or touched because they are immaterial.

**Cannot be stored**

Services cannot be stored for future use because they can be consumed as they are provided.

**Quality cannot be standardized**

Quality cannot be standardized because the quality of services are highly variable over time and from one provider to another.

**Inseparable from the provider**

Services cannot be separated from the provider as they are provided directly to the consumer.

**Cannot be seen**

They cannot be seen since they are intangible and immaterial.

## Differences between goods and services

Goods	Services
Are tangible	Are intangible
Can be stored	Cannot be stored
Can be standardized	Cannot be standardized
Can change possession	Cannot be separated from the provider
Not all goods are perishable	Services are highly perishable
Most can be seen	Cannot be seen
Can change in value	Cannot change in value since they cannot be store

## Characteristic of Economic resources

**Scarce in supply**

Economic resources are less in supply than what is required by human beings

**Have money value**

Economic resources have monetary value through which they can change ownership

**Unevenly distributed**

Some places may have plenty of the resources while others may have less because they are available in varying quantities.

### Have utility

Utility is the usefulness or ability to satisfy a human want.

### Have alternative uses

Economic resources can be put into different uses

### Can change ownership

Change in monetary value from one person to another may be effected by sale since it has monetary value.

### Can be combined

Economic resources can be combined in various quantities to produce other goods and services.

### Can be complimentary

Different economic resources may be consumed together.

## Classification of economic resources

They can be categorized as discussed below:

### Natural resources

They are resources that occur naturally, man play no part in their creation. They include forests, rivers, mountains, lakes, climate and land.

### Man- made resource

They are resources that are created by human beings to be used in satisfying their wants. They are also called artificial goods. Man –made resources are used to produce goods that are either consumer or producer goods.

**Consumer goods** – goods consumed directly.

**Producer goods** –goods used to produce other goods. Also known us capital goods.

### Human resource

These refers to human beings when rendering their services in production.

## Renewable Resources and Non – renewable Resources

### Renewable resources

These are resources whose supply can be restored and if they are not, creation of goods and services is reduced and it may stop altogether.

### Non – renewable resources

These are resources whose supply cannot be restored after use.Using these resources can lead to their resources.

Renewable resources	Non – renewable resources
---------------------	---------------------------

Wood	Coal
Natural rubber	Building store
Wool	Gravel
Silk	Iron
Leather	Aluminum
Solar energy	Gold
Hydro – electric power	Lead
Wind power	Natural gas

### Relationship between Scarcity, Choice and Opportunity Cost

Scarcity refers to as less than, inadequate in supply or limited supply of economic resources in relation to unlimited human wants. Limited resources necessitates choice thus making choices among various competing alternatives according to the order of priority. When choice is made the foregone item becomes the opportunity cost. Opportunity cost is therefore the value of the forgone alternative where choice has been made.

**Opportunity cost** is the value of the forgone alternative where choice is made.

**Scale of preference** is a list of wants in order of their importance.

End of topic

Did you understand everything?

If not ask a teacher, friends or anybody and make sure you understand before going to sleep!

### Past KCSE Questions on the topic

#### PAPER 1

1995 Classify each of the following goods as either producer or consumer (3mks)

Good	Classification
a) Factory	
b) private car	
c) Iron ore	
d) Tools	
e) Exercise books	
f) Clothing	

2. 1996 outline three characteristics of basic human wants. (3mks)
3. 1996 outline four measures that may be taken to conserve forests in Kenya (4mks)
4. 1997 State four ways in which natural resources may be of benefit to a country. (4mks)
5. 1997 Give four reasons why a consumer should satisfy basic wants before secondary wants. (4mks)
6. 1998 Kenya relies heavily on oil as a source of energy. State four reasons why the country should develop alternative sources of energy. (4mks)
7. 1999 State four reasons why consumers have to make a choice between competing needs.

- (4mks)
8. 2000 State four characteristics of human wants. (4mks)
9. 2001 State three basic wants that individuals in a society have (3mks)
10. 2002 highlight four disadvantages of mining as an economic activity (4mks)
11. 2003 State four reasons why a government may decide to control the exploitation of its natural resources. (4mks)
12. 2004 State whether each of the following activities would satisfy basic or secondary needs. (4mks)

**Activities**

**Basic / Secondary**

- | Activities                            | Basic / Secondary |
|---------------------------------------|-------------------|
| a) Buying clothes for the family      |                   |
| b) Transporting farm produce          |                   |
| c) Providing food for school children |                   |
| d) Entertaining a guest               |                   |

13. 2005 Outline four ways in which commerce satisfies human wants,(4mks)

# PRODUCTION

## CHAPTER FOUR

### Specific Objectives

By the end of the topic the learner should be able to:

- a) Explain the meaning of production;
- b) Distinguish between the different types of utility;
- c) Distinguish between direct and indirect production;
- d) Describe the levels of production and occupations relating to each;
- e) Discuss the factors of production and the rewards for each;
- f) Explain the role of division of labour and specialization in the production process;
- g) Classify goods and services produced in an economy.

### Content

Meaning of production.

Types of utility.

Direct and indirect production.

Levels of production and related occupations.

Factors of production as their rewards.

Division of labour and specialization.

Factors that influence the mobility of factors of production.

Classification of goods and services produced in an economy

## Introduction

### Definition

This is the creation of goods and services or increasing their usefulness to become more satisfying.

### Utility

The ability of a good or service to satisfy human wants.

### Types of utility

#### Form utility

This is changing the form of a commodity by converting raw materials to finished goods. For example it

can be done though processing.

### ii.) Time utility

This is created by storing the goods until the appropriate time to use it. For example storing food for later use.

### iii.) Place utility

This is the bridging of geographical gap between the producers and consumers through transportation. For example transporting goods from one area to another.

### iv.) Possessive utility

This is the transfer of ownership of goods from one person to another through trade.

## Direct and indirect production

There are two types of production:

Direct production.

Indirect production.

## Direct production/subsistence

This is production of goods and services for personal use and the products are not marketed.

## Characteristics of Direct Production

Productivity usually on small scale

Usually for own consumption

Production is not for the market

Use simple method of production

Goods and Services are of low quantity and quality

Encourages individualism.

Leads to low standards of living.

Can be very tiring.

## Indirect production

This is the production of goods and services with the aim of selling excess in order to acquire what one does not produce.

## Characteristics of Indirect Production

Production with a view of exchange.

The producer specializes in one or a few areas of production.

It results in surplus production of goods and services.

Goods produced are of high quality.

## Level of production and Related Occupation

There are three levels of production.

### Primary level/extractive



This level involves extraction of goods from their natural setting.

## Secondary level

In this level raw materials are transformed into finished product or into more useful forms.

## Tertiary level

This level of production deals with provision of services and it is divided into three categories as follows:

Communal Service

Direct personal services.

Level	Nature	Examples
Primary	Extractive	Lumbering , Mining Farming
Secondary	Processing Manufacturing Constructive	Maize milling , coffee processing, Oil refining Maize milling, Manufacturing Road building ,Railway Construction
Tertiary	Commercial services  Direct personal services	Banking , Insurance ,Wholesaler  Teaching ,hairdressing ,Medical Care

## Factors of production

These are resources that are necessary in the production process. They are resources or agents required in the production, without which production is not possible. They are discussed as follows:

### Land

Land refers to all the natural resources. For example. Soil, mineral, rivers, lakes and climate. Rewards for land are:

Royalty

Rent

Rates

Commission

## Characteristics of land as a factor of production

Basic factor of production.

Supply is fixed.

It lacks geographical mobility.

Quality is not homogeneous.

Productivity of land can be increased by increasing quantity and quality of capital.

It is subjected to the law of diminishing returns.

It is a natural resource.

### Labor

This is human physical or mental effort applied in production. Rewards for labor are:

Wages.

Salaries.

## Characteristic of labor as a factor of production

Basic factor of production.

Cannot be stored.

Labour cannot be separated from the laborer.

Laborers sell their labour and themselves.

Labour is mobile.

### Capital

This refers to all man – made resources used in production of goods and services. Rewards for labour:

Interest

.

## Characteristic of labour as a factor of production

Man – made hence supply is under man's control.

Basic factor of production.

It is subjected to depreciation.

Can be improved through technology.

## Entrepreneurship

This is the ability to organize other factors of production in appropriate proportions for effective production. The rewards are:

Profit

.

## Function of entrepreneurship

Identifies viable business opportunity.

Combine the other factors of production.

Provides capital required to carry out production.

Employs and rewards other factors of production.

He bears all the risks and losses.

He makes all the decisions on the business.

He controls and manages the business.

## Division of labour and specialization

### Division of labour

This is where a production process is broken down into stages and each stage is assigned to an individual or group of individuals.

### Specialization

This refers to where one concentrates in the production of what he/she can produce best leaving other people to produce other commodities.

## Advantages of division of labour and specialization

Output per worker is greatly increased.

Production of high quality goods and service.

A worker can engage in a trade which she/he is best talented.

Specialization encourages invention and innovation.

Makes production faster and efficient.

Enable a worker to acquire skills in a particular field.

Division of labour saves time.

## Disadvantages of division labour and specialization

Specialization leads to monotony of work resulting to boredom.

Hinders creativity since people work mechanically just like machines.

Specialization make a worker depends on one trade.

Use of machines is encouraged which creates unemployment.

Specialization may make a country dependent on other countries.

Many people are brought together leading to social problems such as crimes and prostitution.

## Classification of goods and services produced in an economy.

**Consumer goods** are produced for final or direct use by the buyer. E.g. food and clothing.

**Producer goods** produced to be used in production of other goods. E.g. Machines.

**Free Goods** they are available in abundant as gifts of nature. E.g. Air.

**Economic goods** they are goods which are scarce in supply and have money value. E.g. human resource.

**Perishable goods** are those that go bad very easily unless stored in special facilities. E.g. flowers and fruits.

**Durable goods** are those that will continue giving services for a long time. E.g. vehicles and television.

**Public goods** are those goods that belong to no one in particular but are owned by the government or by all collectively. E.g. roads, airports and rivers.

**Private goods** are owned by individuals. E.g. personal cars and private schools.

**Intermediate goods** are goods that are not ready for use before they are further processed. E.g. sisal, Sugar - cane and wheat.

**Finished goods** are final products that come out of production in the required form. E.g. Furniture from Timber.

**Material goods** are commodities that are tangible like books, chairs and vehicle.

**Non –material goods** are services such as teaching, nursing, entertaining.

### Ways in which production activities affect environment.

Depletion of productive resources e.g. forests, fish in lakes, exhaustion of minerals.

Degradation of environment which may lead to climate changes that may have adverse consequences on the lives of the people.

Pollution of air and water which is detrimental to both human and animal life.

Problem of disposal of solid and plastic waste which may result in spread of diseases.

Adverse effects on the ozone layer posing a threat to the future of mankind. For example continues depletion of ozone would lead to increased cases of skin cancer.

Pollution of human habitat making it unhealthy and prone to diseases.

End of topic

Did you understand everything?

If not ask a teacher, friends or anybody and make sure you understand before going to sleep!

## Past KCSE Questions on the topic

### PAST KCSE PAPER 1

1. Classify each of the following production activities as either primary or tertiary.

(3mk)

Activity	Level of production
a) Digging clay soil	
b) Constructing a bridge	
c) Selling in shop	
d) Making tea	
e) Transporting medicine	
f) Growing vegetables	

2. Outline four reasons why production in the substance sector is usually low. (4mks)
3. Name four commercial services which are useful to the manufacturer. (4mks)
4. Outline four reasons why a multinational company may prefer setting up a production unit in a developing country instead of exporting finished goods to the country. (4mks)
5. Classify each of the following activities as either primary, secondary or tertiary. (4mks)

Activity	Classification
a) Planting maize	
b) Grinding maize	
c) Selling maize	
d) Harvesting maize	

6. State the meaning of the following terms. (4mks)

Consumer goods

Producer goods

7. Name the factor that each of the following resources relate to (5mks)

Resource	Factor of production
a) Manager	
b) Vehicle	
c) Cotton	
d) Water	
e) Owner	

8. Outline three characteristics of direct production. (4mks)
9. Outline four factors that may account for predominant direct production (4mks)
10. List four functions of entrepreneurs as a factor of production (4mks)

11. State four roles of an entrepreneur in production. (4mks)

**PAST KCSE PAPER 2**

1. Highlight five ways in which an Entrepreneur contributes to the production of goods.
2. Explain five ways in which large scale organization are able to reduce their costs of production.

(10mks)

## ENTREPRENEURSHIP

### CHAPTER FIVE

#### Specific Objectives

By the end of the topic the learner should be able to:

- a) Explain the meaning of entrepreneurship;
- b) Discuss the importance of entrepreneurship to an economy;
- c) Describe the characteristics of an entrepreneur;
- d) Generate business ideas;
- e) Identify a business opportunity;
- f) Evaluate a business opportunity;
- g) Explain the need for business plan;
- h) Discuss the factors that influence entrepreneurship in Kenya;
- i) discuss the causes of business success;
- j) Recognize the need for ethical practices in business.

#### Content

Meaning of entrepreneurship.  
Importance of entrepreneurship to an economy.  
Characteristics of an entrepreneur.  
Business ideas.  
Business opportunity.  
Evaluating a business opportunity.  
Need for business plan.  
Factors that influence entrepreneurship in Kenya.  
Causes of business success

## Introduction

### Definition

The process of identifying a business opportunity and getting the necessary resources to start and run the business.

### Entrepreneur

This is the person who creates new businesses or transforms the existing ones in the face of risks and uncertainties in order to make profit.

### Importance of entrepreneurship to an economy

#### Creation of employment

Through entrepreneurship jobs are created for people who would otherwise be jobless by absorbing them.

#### Formation of capital

Entrepreneurs are able to create capital in many ways such as using the profit earned to expand the business.

#### Reduced rural urban migration

Entrepreneurs are able to set up businesses in the rural areas and employ local people who would have otherwise gone to urban areas to look for employment.

#### Raising standards of living

Entrepreneurs are able to create goods and services which improve the standard of living of the people and also the salaries they get from the employments.

#### Savings on imports

Local entrepreneurs are able to create goods and services which would have been imported therefore saving the money used on imports.

#### Improving infrastructure

Areas where many business are set up the government may improve infrastructure such as roads, security or communications to help business.

#### Making use of local resource

Entrepreneurs makes use of local resources which may have been idle to create goods and services.

#### Promotion of technology

Entrepreneurs are very creative such that they contribute to development of technology.

### Characteristics of an entrepreneur

Desire to achieve.

Ability to solve problems.

Readiness to take risks.

Initiative.

Time consciousness.

Creativity and innovation.

Independence.

Self-confidence.

Desire for feedback.

### Business ideas

These are the basic points of the prospective business that an entrepreneur may need. It may indicate the following:

The products the business will sell.

Who the business will sell to. (market)

Where the business will be located.

How the business will run (management).

Why the business is needed (objectives).

Sources of business ideas

Newspapers.

Shows and exhibitions.

Magazine articles.

Hobbies.

Vocational training and experience.

Surveys.

Waste products

Spotting a market gap (niche).

## Business opportunity

This is an attractive project ideas that an entrepreneur accepts for investments.

### Identifying business opportunity

Business opportunity exist where there is a gap in the market that needs to be filled. Examples of such gaps are:

#### Unavailability of products

This is where the goods and services needed by the consumers are not available in the market.

#### Poor quality products

A business opportunity may exist where one offers quality goods and services.

#### Insufficient quantities

This is where the demand for goods and services is higher than quantity demanded

#### Unaffordable prices

A business opportunity may exists if one would charge lower prices.

#### Poor services

A business opportunity exists where customers are not well served.

## Evaluating a business opportunity

This means assessing whether the identified opportunity is viable or not.

### Factors to consider when carrying out business opportunity evaluation

#### Personal consideration

These are the abilities and expectations of an entrepreneur and they include:

Objectives

Skills

Commitments

Interest

#### Business consideration

These are external factors that are likely to affect business operations and they include:

Availability of market

Technology

Raw materials



Government policy  
Level of competition  
Security

## Business plan

This is a written document that highlights the objects of the business and steps to be followed.

### Need for a business plan

#### Avoid mistakes

Mistakes are identified early and corrected early in the plan. This helps in avoiding occurrence of such mistakes in the business.

#### Identifying strengths and weaknesses

A business plan helps in revealing the strengths and weaknesses in the business.

#### Requirement by financiers

Financial institutions such as banks may require the business plan before they can accept to finance the business activities.

#### Determination of the amount of finances required

A business plan enables in working out the amount of finance that is required to fund the various activities in the business.

#### Allocation of resources

It helps entrepreneurs to allocate the available resources in the most appropriate way.

#### A motivating factor

A business plan is communicated to all employees in the business making them to work towards the goals hence its motivating factor.

#### Adaptability

A business plan should give room for adoption of any changes that might occur in future.

## Factors that influence entrepreneurial practices

### Government policy

Favorable government policies may encourage business activities while unfavorable government policies such as high taxation will tend to discourage them.

### Infrastructure

Availability of good infrastructure in an area tends to encourage people to set up business while poor infrastructure tends to discourage them.

### Levels of education and skills

An entrepreneur who has appropriate knowledge and skills stands a better chance of succeeding in a business than the one who does not.

### Availability of markets

Adequate market will encourage production of goods and services and also encourage more investors compared to inadequate market which will discourage entrepreneurs.

### Availability of resources

A business that uses modern technology is able to produce quality goods and services. Such services will attract more customers leading to an increased market for their goods.

### Culture

Culture determines the kind of goods and services that the people consume. The culture may favored the business or not.

### Competition

A business will thrive if it is able to compete favorably with others.

### Political stability

Political stability will encourage formation and growth of business due to favourable environment compared to political instability which will discourage formation of new business and affect the existing ones due to insecurity.

### Natural factors

Natural factors such as rainfall, temperatures, earthquakes, pest may influence the type of business that is carried out in a particular area.

## Causes of business success

### Ability to manage people

Activities involved in the management of people

Hiring

Assigning duties

Supervision

Training

Motivation

### Proper location/availability of customer

A business where customers are easily available has high chances of being successful.

### Availability of raw materials or stock of goods

A business requires continuous supply of raw materials or stock of goods this would enable it to continue operating to meet customer's needs.

### Adequate finance

A business with adequate money is able to do well because it has money to finance its operations.

### Lack of Competition

A business operating in an area of little or no competition is likely to succeed than where there is high competition.

### Commitment to the business

The entrepreneur should be committed only to his or her business and this will give him or her time to manage the business well than when he/she is committed elsewhere.

### Good public relations

Good public relation is necessary for attracting and retaining customers.

### Being creative and innovative

Creativity and innovation enables the entrepreneur to stay ahead of competition as he finds new users of a product and even new pricing methods.

## Ethical issues in Business

Business ethics helps businesses in deciding what actions are right and wrong depending on circumstances.

### Need for ethical issues in business

Ensures no discrimination in business

Creates fairness in competition

Ensures protection of the environment  
Ensures fair play in competition  
Helps in avoiding environmental degradation  
Helps in avoiding environmental pollution  
Avoids consumer exploitation

End of topic

Did you understand everything?  
If not ask a teacher, friends or anybody and make sure you understand before going to sleep!

Past KCSE Questions on the topic

## CHAPTER SIX

# OFFICE WORK

### Specific Objectives

By the end of the topic the learner should be able to:

- a) Explain the meaning of an office;
- b) Explain the functions of an office;
- c) Describe the various office layouts;
- d) Explain the uses of various office equipment,
- e) Discuss the role of filing in an office;
- f) Discuss the duties of various categories of office staff;
- g) Describe essential qualities of each category of office staff;
- h) Discuss trends in office management.

### Content

Meaning of an office  
Functions of an office  
Types of office layouts  
Office equipment  
Role of filing in an office  
Duties of various office staff  
Essential qualities of office staff  
Trends in office management

## Introduction

An office can be defined as a place, room or building set aside in an organization where communication, secretarial, accounting, administration and clerical work take place.

### Functions of an office

#### Receiving and recording information

The office receives information with means such as letters, telephone calls, orders invoices face to face conversation and reports.

#### Distribution (dissemination) of information

The information is passed to other officers concerned for implementation or action.

#### Mailing

This involves processing and sending out letters.

#### Reproduction of documents

Documents can be reproduced using typewriters, carbon copying, photocopying, duplicating and printing.

#### Communication

This is the passing of information from one person to another. The office always serve as the centre of communication.

#### Safeguarding and controlling of organization's property

The office should ensure that the organization's property is protected and controlled. This may be done through:

- Insuring the assets.

- Repairing the assets.

- Monitoring/supervising their use.

- Having a record of all assets.

- Regular servicing of the assets.

- Appointing staff to take care.

- To be used on the intended purpose.

#### Filing

This is storing of information mainly in files.

### Characteristics of a good filing systems

- Should be simple.

- Should be flexible/elastic.

- Be economical

- Be compact.

- By not occupying much space.

- Easy to access.

- Be safe/secure.

- Suitable to the organization.

- Have cross reference.

### Role of filing in an office

Documents are protected from loss and landing into unauthorized hands.

Aids in office tidiness and efficiency.  
Aids to memory as it can be used for future reference.  
Documents are kept neat and tidy.  
Information is stored systematically and can be easily retrieved.

## Machines used in reproduction of documents

### Carbon copying

The method used to obtain copies using carbon papers. The copies can either be handwritten or typed.

#### Advantages

Convenient especially where few copies are required.  
Cheap.  
No special training is required.

#### Disadvantages

Not convenient for many copies.  
Copies can be misaligned.  
Poor quality copies.  
Difficult to produce different colors.  
Copies of photographs cannot be reproduced.

### Duplicating

Duplicating is a process whereby a number of copies are obtained with the help of a master copy. A duplicator can produce copies of a notice or report in quantities ranging from less than a hundred to thousands.

#### The main types of duplicators.

##### Ink duplicator

It uses ink to reproduce documents

#### Advantages

Quite cheap when many copies are used.  
Errors made on the stencil can be corrected by use of correcting fluid.  
Copies are permanent and relatively of good quality.  
Stencils can be stored to be re-used.  
It is fast.

#### Disadvantages

Expensive where a few copies are required.  
More time consuming than photocopy.  
Only coarse absorbent paper can be used hence not suitable for quality copies.  
Separate runs are required if two or more colors are needed.

##### Spirit Duplicator

This machine is also known as a hectograph. Spirit duplicators are used to reproduce drawings, handwritten and typewritten matter in a variety of colors. A 'master sheet' is prepared on a special paper with a glossy surface.

#### Advantages

Economical where few copies are required.  
Copies can be produced in several colors.

### Disadvantages

- Not suitable for many copies.
- Copies fade out in the course of time.
- The master is expensive.

### Photocopying

This is the reproduction of an exact copy of an original document by use of a photocopier.

### Advantages

- Cheap only a few copies are required.
- Quicker than duplicating or printing.
- No special training is required for the operators.
- Copies produced are of high quality.
- Colored copies are also possible in some machines.
- Does not pollute the environment.

### Disadvantages

- Expensive for a large number of copies.
- Copies may fade out over time.
- Only selected colors can be copied.
- It is convenient hence can easily be misused.
- Cannot be used where there is no electricity.

### Printing

This is a method of reproducing documents using either a printing machine or by mechanical means.

### Advantages

- High quality copies.
- Different colors can be reproduced.
- Convenient for many copies.
- Does not pollute the environment.

### Disadvantages

- Expensive
- Trained personnel is required.
- Requires electricity.

### Stencil /screen printing

This is a method of printing where a screen is used. This method is used to print large or irregular surfaces that cannot be fed into machine.

### Advantages

- Cheap
- Stencils may be stored for future use.
- Corrections on stencil can be made with the help of correcting fluid.
- Can be used to produce a variety of colors.

Little training is required.

#### Disadvantages

Poor quality.

Mass production is difficult.

May pollute the environment.

#### Offset Lithography

This is where the document to be reproduced is filmed using a camera and the information on the films used to produce an image on a flat sheet of metal called a plate.

#### Advantages

Documents produced are of high quality.

Appropriate for mass production.

#### Disadvantages

Initial and maintained cost of machines are high.

Pollutes the environment.

Printing is mainly done on paper which is obtained from trees.

Requires a lot of monitoring.

#### Types of office layout.

Office layout refers to the outlook, arrangement and positioning of furniture and equipment in an office.

#### Open office layout.

This is a large room where all staff work.

#### Advantages of open office layout

Easy supervision of workers.

Construction cost is low because partitions are few.

Easy location of workers.

Staff movement is minimized thus saving time used in passing information.

Promotes teamwork among employees.

Maintenance cost is low.

Floor space is saved.

Discourage absenteeism by employees.

#### Disadvantages of open office

Disruption from colleagues.

Senior workers are not placed in areas of privacy failing to confer status to them.

Untidy and un-business like appearance.

Contagious diseases may easily be passed.

There is no privacy.

Noise from workers and machines.

#### Enclosed office lay out

This is an office which is normally occupied by one or two people.

#### Advantages of enclosed office layout.

There is privacy for confidential discussions.

There is less noise and disruption from workers and machines.  
Conducive working environment.  
Confer status to top level employees.  
Provides security for valuable and sensitive items such as documents and cash.

#### Disadvantages of enclosed office.

There is no close supervision of workers.  
Costly to construct and to maintain.  
Encourage absenteeism.  
A lot of time is taken by officers when moving from one office to another.  
Encourages laxity in office.  
Reduces interaction between managements and other employees.  
Possible misuse of office facilities.

#### Differences between open plan and partitioned/closed layout

Open plan	Partitioned Layout
i) Large office	i) Small offices
ii) Accommodates many workers/ staff	ii) Accumulates few workers or staff
iii) Allows sharing of resources	iii) Limits sharing of resources
iv) Cheaper to construct/ maintain/ decorate	iv) Expensive to construct maintain/ decorate
v) Suitable for general work/ work that does not require concentration/ secrecy	v) Suitable for work that is confidential/ requires concentration
vi) Suitable for junior where space is limited	vi) Suitable for senior workers
vii) Encourages team work	vii) Suitable where space is abundant
viii) Easy to supervise workers	viii) Encourages individualism
	ix) Difficult to superior/ monitor workers



### Landscape office layout

This type of office layout is similar to open office layout but of higher standards in terms of outlook, furniture and other equipment.

### Advantages of landscape office layout

Promotes team work among employees.

Promotes sharing of office equipment thereby reducing the costs buying more.

Supervision of workers is easy since the manager may be at a raised ground.

Maintenance cost is low.

Easy location of workers.

Discourages absenteeism of employees.

Decoration found in the office creates an attractive and conducive environment to work in.

### Disadvantages of landscape office layout

Noise from machines and colleagues may be a problem.

The office may be expensive to set up and maintain.

Senior officers are not placed in areas of privacy.

Confidential work may not be conveniently done.

The set up may be more inclined to beauty than creating a conducive working environment

### Office Equipment

These are facilities used in an office to make work easier and efficient.

### Roles of office equipment

Speed up and simplify work hence save on time and labour.

Enhance neatness and accuracy.

Ensure security of documents and other valuables.

Provides comfortable working environment.

### Types of equipment in an office.

#### General office machines

Guillotine – trimming documents into required shapes and sizes.

Paper punch – to make holes in papers to facilitate filing.

Stapling machines – for pinning papers together.

Staple remover – to remove pins from papers.

#### Mail room office machines

Folding machines – folding letters and sealing envelopes

Franking machines – for printing postage impressions on envelopes

Addressing machine – for printing addresses on mail

Sorting machine – for sorting letters

Letter opener – for opening letters

Composite – to fold documents, place them in envelopes, seal the envelope

#### Typing pool office machines

Typewriter – may be manual, electric or electronic for typing letters, reports and so on.

Dictating machine/Dictaphone – for making shorthand dictations and recording information on tapes.

Paper shredders – cutting unwanted documents into tiny pieces to avoid such documents getting into the wrong hands.

Duplicating machines – for reproducing documents from a master copy. (Stencil).

#### Communication office machines

Telephone – used to send and receive messages.

Tele – printer (telex machine) – for printing messages which are telexed.

Facsimile (fax machine) – used to transmit printed messages such as letters, maps, diagrams and photographs.

### Duplicating office machines

Photocopier, printing machines, stencil duplicator – used to produce documents.

### Accounts office machines

Adding machine – adding and subtracting figures.

Cash register – for preparing cash receipts.

Calculating machines – for all types of calculations.

Accounting machines – for posting information to ledgers and preparing payrolls.

Computer – for complex calculations.

Money counting machine – for counting coins and notes.

### Disadvantages of office equipment's

#### Labour saving

When machine is used only few staff are required hence the organization saves on salaries and wages.

#### Speed

They are much faster, thus save time

#### Accuracy

Machines are more accurate, though it must be appreciated that a machine can only be accurate if the operator is efficient.

#### Presentable

The final product of a machine is of high quality.

#### Control

Machines assist in reducing frauds.

#### Uniformity

When a machine is used, there is uniformity in output

#### Saving on cost

Machines unlike labour, are more economical in terms of cost per unit.

#### Minimize monotony

Machines eliminate the monotony of doing the same manual work repeatedly which causes fatigue.

### Disadvantages of office machines

Initial and maintenance cost are high.

Breakdowns may lead to stoppage of production process.

Machines contribute to unemployment.

Machines may become outdated due to advancement in technology.

Some machines require trained manpower who may be difficult and expensive to acquire.

Some machines may require special stationary and other materials.

Carelessness of workers may result into an enormous wastage of resources.

### Other equipment's used in an office include:

Filing cabinet

Safe

Trays.

### Factors to consider when selecting office equipment's

#### Cost

This is the initial, maintenance and running costs of the equipment.

#### Adaptability

This is the ability of the equipment to cope with future changes and development.

#### **Possibility of hiring rather than buying**

One has to consider the cost and convenience of buying an equipment as opposed to hiring.

#### **Durability**

This refers to the lifespan of equipment.

#### **Effect on staff morale**

This refers to staff attitude towards the equipment.

#### **Availability of complementary resources**

This refers to accessories required in order to operate the equipment for example power.

One has to consider whether the spare parts of the equipment will be readily available or not.

#### **Availability of manpower**

This is the personnel required to run or operate the equipment.

#### **Availability of room**

One has to consider whether the room for keeping the equipment is available or not.

#### **Security of the equipment**

One has to consider whether the available resources are adequate to offer enough security for the equipment or not.

## **Office staff**

Office staff are a team of employees who work to achieve the organizations goals.

They are divided into three groups

### **Managerial**

These are officers involved in formulating and implementing policies, and supervising the activities of the organization.

### **Junior**

These are the employees who carry out the activities of the organizations as assigned to them by the management.

### **Subordinate staff**

These are the unskilled employees who perform non - specialized duties such as cleaning and delivering messages.

## **Duties of various office staff.**

### **General Manager**

Controlling all the activities of the organization.

Being responsible for co-ordination of all the activities of the organization.

Responsible for staffing.

Responsible for provision of resources required by the organization.

Advising the owner/s on matters related to the organization.

Planning the work and the time schedule in an organization.

### **Company secretary**

Being responsible for all legal matters of a company.

Taking down minutes at general meetings.

### **Departmental managers.**

These are employees responsible for running and controlling the affairs of their individual departments' .E.g.

Finance manager whose duties include the following:

Keeping book of accounts.  
Collecting, banking and making payments on behalf of the firm.  
Making out financial returns to the general manager.  
Preparing payrolls and buyers.  
Preparing financial reports such as profit and loss accounts and balance sheet.

#### Personal Secretary

Duties of personal secretary:  
Filing information for the boss.  
Attending meetings and recording minutes.  
Supervising junior secretarial staff.  
Receiving and making telephone calls for the boss.  
Taking dictation from the boss.  
Making travel arrange and booking hotels for the boss.  
Keeping the petty cash.

#### Typist

Functions:  
Typing information from original documents.  
Filling documents.  
Reproduction of documents.

#### Clerk

Duties /functions:  
Handling mail.  
Duplicating and operating various office machines.  
Indexing and filing.  
Helps in store-keeping or record -keeping.  
Ordering, receiving, storing and issuing of stationery.

#### Telephone operator

A junior officer who runs a switch board

#### Receptionists

Junior officer and his/her duties include.  
Supervision of messengers and porters.  
Receiving and directing visitors to their respective destinations.  
Taking and passing of messages.  
Making renewing and cancelling appointments.  
Keeping visitors record book.

### Essential qualities of office staff.

#### Personal attributes

Physical appearance.  
Hygiene  
Posture  
Moral behavior.  
Good health

#### Office etiquette

Respect

Punctuality  
Courtesy  
Loyalty  
Honesty  
Co-operation  
Accuracy.

### Personal Knowledge and skills

Knowledge  
Skills

## Trends in office Management

This refers to current changes in office management such as computerization. Computerization means employment of computers in the organization's operations.

### Computers

A computer is an electronic device used for processing data, storing information and for communication purposes.

#### Uses of computer

Data storage and inventory control

It can be used to process amounting transactions and prepare the ledger accounts and payroll.

It can accurately keep a record of stock at hand, receipts and issues.

It can store information relating to members of staff.

Used in communication services, for example, internet, intranet and website.

#### Advantages of using the computer

It economizes on space and material.

It speeds up operations.

Its output is presentable.

It can store a large volume of information.

Facilitates communication from one point to another, for example-mail (electronic mail )

It is accurate.

#### Disadvantages of using computers

Leads to unemployment.

Inhibits innovation.

Monotony - Consumers using the same machines all the time get bored.

Confidential information in computers may be accessed by unauthorized persons.

Requires electricity.

Subject to attack by computer viruses

Expensive to install.

Requires skilled manpower.

Requires one to have a back-up system for storage. This is an extra expense.

## Uses of computers in communication

### Internet

Internet refers to inter-connection of many computers in the world thereby facilitating the flow of information from one place to another. Information is sent as E-mail.

### Intranet (innet)

Inter-connection of computers within a small geographical area. For example, it can be used to connect different departments in an organization. In such a case if the sales manager wants to communicate with

the production manager, he/she can use a computer instead of having to walk there.

#### Extranet

This is the interconnection of computers to facilitate communication between the business and selected persons, such as suppliers, customers and employees. Access to extranet requires the use of a password because it is not for use by the general public.

#### Website

It is a virtual location in the internet where information can be posted for other parties to access. For example, in marketing clothes, designs and prices can be posted in the website for the prospective buyers to access. It can also be used as a source of information. For example, if one wants to access the sales of a certain company in a month, the information may be available in the website either freely or at a cost.

#### E-commerce

This is carrying out trading activities through the internet. The following are some of its

##### Advantages:

Facilitates access to a large market.

Large and small businesses can transact business through the internet without discrimination.

A fast way of doing business.

Reduces paper work since many dealings are online.

Saves on the cost of sending, receiving and storing information.

One can access important business information which would be used to enhance running of the business.

#### Tele - conferencing

This is holding a conference through the computer while the participants are in different geographical areas.

##### Advantages of internet, intranet, website, extranet and e-commerce.

They are fast

Low cost incurred compared to travelling.

Convenient because you get the information at the touch of a button.

Information can be stored for future reference.

##### Disadvantages

High initial cost of equipment.

Maintenance cost is high.

Users require training which may be expensive.

Suffers from occasional breakdown, for example, from virus attack.

The facilities are prone to misuse.

It requires power to operate.

#### Office arrangement

Businesses are changing from closed office layouts towards adopting either open or landscape office layouts. This has made it possible for the manager to have better control of the organization at the same time ensuring that customers are satisfactorily served.

#### Public relations department

The need for customers' satisfaction has necessitated development of customer care departments in many business organizations. In such departments customers may be educated on the use of the organization's products.

#### Use of cell phones (mobile phones)

Use of cell phones is a recent development in communication. Many business organizations have adopted the use of cell phones by their employees. Their use enables officers to carry out their official duties even

when they are away from their normal working stations. Such employees may be provided with airtime by the organization.

### Office location

Offices located in town centers are faced with many problems, such as traffic jams, lack of parking space and high running costs. In an effort to solve these problems, some business organizations are relocating their offices to sub-urban areas. Offices in such areas are more convenient to both the customers and the business owners as they are easily accessible and the cost of running them is lower.

### Procedure and routines

Many of the traditional office procedure and routines are becoming outdated as businesses adopt new ones facilitated by automation. For example, use of computers, has enabled employees in management positions to do work that would otherwise have been delegated to junior employees like copy typists and clerks.

End of topic

Did you understand everything?  
If not ask a teacher, friends or anybody and make sure you understand before going to sleep!

## Past KCSE Questions on the topic

### PAST KCSE PAPER 1

1. State three reasons why office documents should be filed. (3mks)
2. Outline four duties of an office manager. (4mks)
3. The following are types of office equipment. Paper, fax machine, telex and telephone. In the table below, match each equipment with its appropriate function. (4mks)

Function	Equipment
a) Sending and receiving written messages	
b) Sending and receiving verbal messages	
c) Sending and receiving copies of messages	

d) Sending messages one way only.

4. List four qualities of an office messenger. (4mks)

5. State four factors that determine the period for which documents should be stored.

(4mks)

6. In the space provided name the office equipment used to perform each of the following tasks.

**Functions**

**Equipment**

a) Printing stamp impression on envelopes

b) Cutting paper into required sizes

c) Pinning papers together

d) Recording, processing, sorting & retrieving information

7. Outline four function of an office (4mks)

8. Outline four functions of the office in an organization (4mks)

## CHAPTER SEVEN

# TRADE

### Specific Objectives

By the end of the topic the learner should be able to:

- a) Explain the meaning and importance of trade;
- b) Classify trade;
- c) Explain the forms of home trade;
- d) Discuss the types and functions of retailers;
- e) Discuss the types and functions of wholesalers;



- f) Describe the documents used in home trade;
- g) Explain the means of payment used in home trade and the circumstances in which they are used;
- h) Explain the terms of payment used in home trade and circumstances in which they are used.

### Content

Meaning and importance of trade  
Classification of trade  
Forms of home trade  
Types and functions of retailers  
Types and functions of wholesalers  
Documents used in home trade  
Means of payment in home trade  
Terms of payment in home trade

## Introduction

### Trade

The buying and selling of goods and services with an aim of making a profit.

### Importance of trade

Helps people to acquire what they might not be able to produce.  
Avails a variety of goods and services.  
Helps producers to dispose of their surplus.  
Create employment.  
Encourage specialization and division of labour.  
Promotes social relations and understanding among the parties involved.  
Provides revenue to the business people and government.  
Ensure steady supply of goods and services.

### Classification of Trade

Trade can be grouped into two:

Home trade

Foreign trade

#### Home trade/local trade

It is carried out within a country's boundaries.

#### Foreign trade /international trade

It is carried out between two or many countries.

#### Classification of foreign trade

Bilateral which is a trade between two countries.  
Multi-lateral trade carried out among many countries.

### Forms of home trade

Retail trade

This involves buying goods and selling them to the final consumer. It is carried out by a retailer.

Types of Retailers

#### Small- scale retail business

Requires small amount of capital to start and operate.

#### Large-scale retail business

Requires large amounts of capital to start and operate.

## Classification of Small - scale retailers

Classified into two main groups

Small scale retailers without shops.

Small scale retailers with shops.

### Small- scale retailers without shops.

#### Itinerant traders

These are traders who move around selling their goods usually by bicycles, motor- cycles or on foot.

#### Characteristics of itinerant traders

Found mainly in densely populated areas.

Move from one shopping centre to another in search of customers.

They are very persuasive.

Their prices are not controlled.

#### Advantages of itinerant traders

Flexible in that they can move from one place to another.

Requires little capital to start and operate their business.

Convenient in that they take goods to the customers.

They usually do not suffer bad debts because they sell in cash.

Few legal formalities required.

#### Disadvantages of itinerant traders.

Affected by weather changes because they operate in open air environment.

It is difficult to transport business wares to various places.

Do not offer guarantee, in case items are to be found defective.

#### Roadside sellers.

They are traders who sell their goods at places where other people pass by E.g. Alongside busy Roads, bus stages etc.

#### Open -air market traders

Open-air markets are places set aside by the government where people meet to buy and sell goods.

#### Automatic vending machines

They are coin-operated where coins are inserted into the machine depending on the price of what you want to buy.

## Small Scale retailers with Shops

#### Single shops (unit shop)

They are run by one person who may get assistance from his/her family or employed attendants.

#### Tied shops

Tied shop mainly sell the products of one particular manufacturer and they are owned by the manufacturer.

#### Kiosk

Small shops or simple structures which sell fast moving goods like newspapers, sweets and soft drinks.

#### Market stalls

They are permanent stands found in market places which are constructed and owned by local authorities.

#### Canteens

These are retail shops found in institutions such as schools, colleges, hospitals and army barracks. They sell goods mainly to the people working in the institutions.

#### Mobile shops

Mobile shop traders move from village to village or from town to town selling their goods.

#### Advantages of small scale retailers.

Easy to raise capital to start the business.

Are able to use cheap/ free labour from the family.

Risks involved in their businesses are small.

The business is simple to start and manage.

Few legal formalities are required to start and run the business.

The business is flexible.

#### Disadvantages of small scale retailers.

Trader has limited access to loan facilities.

May not afford to hire specialist or technical staff.

May suffer bad debts due to many credits given to customers.

Do not enjoy economies of scale.

Have a low turnover because of the little capital invested.

## Large Scale Retailers

#### Characteristics of large Scale Retailers

Requires large amount of capital.

Operate mainly in urban areas.

Requires the services of specialist such as salespersons and accountants.

Management is however centralized.

Buy goods in large quantities from wholesalers or directly from producers.

#### Types of large scale retailers

##### Supermarkets

A large self-service store that deals mainly with household goods.

##### Features of supermarkets

Require large capital to start.

Stocks a variety of goods.

Offers self-services facilities.

Goods have price tags.

Prices of goods are fixed.

No credit facilities are offered.

Sell at comparatively low prices.

#### Advantages of supermarkets

They offer lower prices for their merchandise than other retailers.

Saves time as customers are able to get most goods they require under one roof.

Customers pick the goods from the shelves and pay for them at the counter hence no time wastage waiting for attendants.

Supermarkets employ very few attendants which reduces their monthly wage bill.

Impulse buying leads to more sales.

They avoid bad debts by not selling on credit.

### Disadvantages of supermarkets

Do not offer credit facilities to the customers.

Do not deliver goods to the customers' premises.

Found mainly in urban areas.

May incur losses due to pilferage of goods.

Impulse buying may lead the customers to buying goods they may not need.

### Chain stores.

Chain stores are large-scale businesses with separate branches which are managed and organized centrally.

#### Characteristics of chain stores

Purchases are centralized.

Prices are standard for all their products in all their branches.

Sales are decentralized.

All branches deal in the same type of products.

They are uniform in outward appearance and interior layout.

#### Advantages of chain stores.

Offer low prices for their merchandise.

Goods are sold on cash basis, hence reducing bad debts.

Chain stores serve a wider market because they are spread all over the country.

The businesses are easily publicized by the similar shop fronts and window displays.

Slow moving goods in one branch can be transferred to another branch where demand for them is higher.

Cost of running the chain stores is controlled and managed by the head office hence the cost is shared among various branches.

#### Disadvantages of chain stores

Requires large amounts of capital to start and run a chain store.

Identical products may contribute to low sales as people may shy away from buying identical products.

Chain stores do not offer credit facilities except those operating exclusively on hire purchase schemes.

Lack of personal touch with customers.

Absence of personal touch between the employer and employee may reduce incentives for hard work among staff.

### Departmental stores.

A departmental store comprises many single shops under one roof and one management.

#### Characteristics of departmental stores.

Offers a wide variety of goods at relatively lower prices.

They are attractive and convenient to stop in.

They are usually situated in town centers.

They may provide services such as restaurants, reading rooms and post office.

Each department is managed by a departmental manager dealing in a different line of goods.

#### Advantages of departmental stores.

Customers can buy a wide range of commodities from the different shops under one roof.

They sell at low prices.

The stores are able to employ specialized staff who provide quality services.

Generally open for long hours.

Offers adequate parking facilities to customers.

#### Disadvantages of departmental stores.

Large amount of capital is required to start and run the stores.

One department may run as a loss to attract customers to other profit making departments.

Departmental stores cater mainly for the urban communities in which they are located.

Lack personal contact with their customers.

Their big size poses management problems related to co-ordination and control of the activities of different departments.

### Hypermarket.

It is a large shopping centre in one building comprising a variety of businesses under different management and are located away from the city centre.

#### Characteristics of hypermarkets

- Good access roads.
- Ample parking space.
- Many business in one building.
- Attractive and convenient to shop in.
- Located in the outskirts of town.
- Offer a variety of goods and services.

#### Advantages of hypermarkets

- Offer extensive parking facilities to the customers since they are located away from town centres.
- Customers can do all their shopping in one building.
- Hypermarkets save on space, which reduces rents and rates.
- Usually open for long hours.
- They may provide credit facilities by accepting credit cards.

#### Disadvantages of hypermarkets

- Since they are located away from city centres, they serve only a limited number of people especially those with cars.
- They are a threat to other retail outlets because most of the customers do most of their shopping in them.
- Require large space which is not easily available in the central business district (CBD).
- Their prices are not controlled and therefore customers can be exploited.
- Requires large amount of capital to start and operate.

### Mail order stores.

This is a type of retail trade where the business is carried out through the post office.

#### Characteristics of mail order stores

- They sell goods through the post office.
- They advertise through means such as the print media, electronic media etc.
- Transactions are carried out through the post office.
- Customers do not visit the selling premises.
- Goods are dispatched, mostly on the basis of cash with order or cash on delivery.
- May have large warehouses.

#### Advantages of mail order stores

- Reach customers who are far away from the shopping centres.
- Does not require the services of sales personnel.
- No need for skilled labour since selling is routine.
- May not require transport facilities.
- Total control of distribution is possible.

#### Disadvantages of mail order stores.

- High cost of advertising increases the price of the goods.
- Inspection of goods by the customer is not possible.
- The variety of the goods that can be sold is limited.
- Personal contact between the buyer and seller is not possible.

The method is mainly suitable to those who can read and write.  
Problems arising in the post office may affect the business e.g. strikes

## Functions of retailers

### Services rendered to consumers

#### Credit facilities

Retailers can give credit to the customers they trust.

#### After-sales services

After-sales services include transport, installation, repair and maintenance which may be offered by the retailers.

#### Variety of goods

Retailers may stock goods from different wholesalers or manufacturers for consumers enabling them to have a wide choice of goods.

#### Advice

Retailers may offer advice to customers on choice and use of products.

#### Availing goods

Retailers make goods available to consumers at the right time and place.

### Breaking bulk

Retailers sell goods to consumers in convenient quantities.

### Services rendered to wholesalers.

Retailers are good sources of valuable information on the market which assists wholesalers in anticipating consumers' demand.

Retailers assist wholesalers in distributing products to consumers.

Retailers may relieve the wholesaler the burden of transportation.

Retailers may relieve the wholesalers the burden of storage.

### Services rendered to the producers.

Retailers link with wholesalers in providing valuable information to manufacturers on consumer demand.

Retailers market the producers' products to the consumers.

Retailers advertise goods on behalf of producers.

Breaks bulk on behalf of producers to consumers.

Finance producers by buying and paying cash.

## Wholesale trade.

Wholesaling involves selling goods in large quantities to traders for resale.

### Wholesaler

A trader who buys goods in bulk from producers and then sells them to other traders normally.

### Classification of wholesale trade.

#### According to the range of goods they handle.

##### General merchandise wholesalers.

They deal in a wide range of goods/different types of goods.

##### General line wholesalers

They deal in a wide range of products but within one line.

##### Specialized wholesalers.

These deal in particular goods from a given line of products.

#### According to the geographical area in which they operate.

### Nationwide wholesalers

They distribute their products to all parts of the country.

### Regional wholesalers

They offer their products to certain parts of the country only.

### According to their method of operation

#### Cash and carry wholesalers

Traders come and pick goods and pay cash for them and the wholesalers don't offer credit or transportation.

#### Mobile wholesalers

Mobile wholesalers use vehicles to go around selling goods to traders.

#### Rack jobbers

They specialize in selling particular products to the other specialized wholesalers.

## Terms used in wholesaling

### Breaking bulk

This involves dividing a commodity into smaller quantities for the convenience of the buyer.

### Packing

This may involve putting goods in packets, boxes or cartoons.

### Branding

Giving a product a name by which it will be sold.

### Sorting

Selecting goods according to sizes, weights, colors and qualities.

### Grading

Putting goods in groups of similar qualities to make it easier to price them.

### Blending

This involves mixing different grades to achieve desired tastes, colors or other qualities.

## Functions of a wholesaler

### Note:

Functions of wholesalers are also the advantages of wholesale trade.

### Services of wholesale to the producers.

They relieve the producer of the problem of distribution as they buy goods from producers and sell them to retailers.

Wholesalers relieve producers of some of the risks they would experience.

Saves the producer of the problem of storing by buying in big quantities.

Wholesalers carry out market research that is important to producers.

They transport, break bulk, pack, brand, sort, and grade and blend goods. This save the producer the problem of having to do this.

Wholesalers engage in product promotion through activities such as displays, films, exhibitions etc.

Wholesalers may buy goods from producers on cash hence providing producers with finance to operate.

### Services of wholesalers to retailers

They stock a variety of goods in large quantities hence relieving retailers of the problem of having to move to different producers to buy goods.

They avail goods at places convenient to retailers.

They break bulk for the benefit of retailers.



They may offer advisory services to retailers.

They may offer credit facilities to retailers.

They engage in sales promotion, hence retailers are saved the problem of having to do so.

Wholesalers grade, sort, blend, pack and brand goods. This save retailers the bother of having to do so.

### Services of wholesalers to consumers.

Ensures steady supply of goods to retailers hence no shortages.

Ensures steady supply of goods into the market which leads to stable prices.

Wholesalers make it possible for the customers to enjoy a variety of goods.

Breaks the bulk thus enabling the consumers through the retailers to get the goods in suitable quantities.

Gives information to the consumers through the retailer about goods.

## Documents of home trade

### Letter of inquiry

A document sent by buyer to seller

It inquires about the prices and discounts

It also informs about the buyer's demand

### Quotation

A document sent by the seller to potential buyer when an inquiry is specific in nature.

Contents

Seller gives details about the products

Quotation also mentions about the discounts, if offered

### Catalogue

A document sent by seller to the buyer describing the goods a seller stocks. Catalogue also contains pictures with attract the potential buyer to buy the products

#### Contents

Prices of the goods.

After – sales services offered by the seller.

Packaging and posting expenses to be incurred.

Delivery services to be used.

Terms of sale.

### Price list

This is a list of items sold by the trader together with their prices.

### Order

A document sent by the buyer to the seller which mentions the type and quantity of product required. It also mentions the expected delivery date.

#### Contents

Name and addresses of the buyer and seller.

The number of the order.

Quantities ordered and total amount to be paid.

Description of the goods ordered.

Price per item.

Special instructions on packaging and delivery.

### Acknowledgement Note

A document sent to a prospective buyer to inform him/her that the order has been received and it is being acted upon.

### Packing note

The document used to indicate the items packed.

#### Contents

Quantities of goods packed.

A brief description of the goods.

The means of delivery.

### Advice Note

This is a document sent by the seller to the buyer after goods have been dispatched to inform him/her that the goods have been dispatched.

#### Contents

The means of delivery.

A description of the goods.

The quantity dispatched.

### Delivery note

A document sent by the seller to the buyer with the goods. If this document is signed it signifies that the goods have been received.

#### Contents

Name and addresses of the sellers and buyer.

Date of delivery.

Delivery note number.

Quantity and description of the goods.

Space for the buyer of the goods to sign and comment on the conditions of the goods received.

### Consignment Note

It is sent when the seller does not use his/her own means of transport and hence hires a transporting company to carry the goods. On receipt of the goods the buyer signs the consignment note as evidence that the goods were actually transported.

#### Contents

Details of the goods to be transported.

Name and address of the seller and buyer.

Terms of carriage and conditions of transporting the goods.

### Invoice

Document sent by the seller to the buyer demanding payment for goods delivered.

#### Contents

Quantity.

Price.

Discount

Description of the goods.

#### Functions of an invoice

Shows the details of goods sold.

A request to the buyer to make payments.

It is used as a sources document.

### Goods received Note

A document sent by the buyer to the seller to inform him/her that goods sent have been received.

#### Contents

Date of the documents.

Names and addresses of the buyer and seller.  
Corresponding purchase order.  
Details of goods received.  
Date the goods are received.

### Pro-forma invoice

A document sent by the seller to the buyer before goods are delivered showing how the invoice would look like if the buyer buys the goods.

### Functions

A polite way of asking for payment before the goods are delivered.  
Sent when the seller does not want to give credit.  
Used by importers to get custom clearance before goods are delivered.  
Issued to an agent who sells goods on behalf of the seller.  
Can be used to serve as quotation.  
Sent to show what the buyer would have to pay if the order is approved.

### Goods Returned Note

A document sent by the buyer to the seller informing him/her of the returned goods.

### Reasons for returning the goods by the buyer:

Wrong type  
Excess  
Wrong quality  
Damaged goods.

### Credit Note

A document sent by the seller to the buyer to inform him/her that the amount payable by him/her has been reduced.

### Circumstances under which a credit note may be issued.

#### When goods are returned

Goods may be returned for them being of wrong quality, excess, damaged or expired

#### When there is an arithmetic error resulting to overcharge.

Wrong addition may lead to invoicing high value than the correct amount.

#### When emptying containers and packing cases are returned

When emptying containers whose value were included in the invoice are returned this is corrected using a credit note.

#### When goods are priced at higher price than the correct price.

When a product or more are priced at higher price than true price this lead to overcharging which is corrected by issue of credit Note.

#### When the buyer was charged for goods not supplied

Some goods might be charged by the seller while in real sense they were not supplied due to many reasons e.g. forgetting.

### Debit Note

A document sent by the seller to the buyer to inform him or her that the amount payable by him/her has been increased.

Debit Note	Credit Note
Used to correct undercharges	Used to correct overcharge.
Increases the amount on an invoice issued.	Reduces the amount on an invoice issued
The supplier debits the customer's account.	The supplier credits the customer's account.
Issued when a customer's fails to return chargeable/returnable goods	Issued when a customer returns chargeable /returnable goods

### Statement of account

A document sent by seller to buyer asking the buyer to pay the outstanding amount.

#### Contents

Names and addresses of the buyer and seller.

Account number.

Date column.

Particulars /details column.

Money columns.

Terms of credit.

### Receipt

A document issued by the seller to the buyer as a proof that payment has been received by the seller.

#### Contents

Date of payments.

Name of the person making payment.

Amount paid in words and figures and means of payment.

Name of the institution or person to whom payment is made.

Receipt number.

Signature of the person issuing the receipt.

### IOU

An IOU (I owe you) is a written acknowledgment of a debt written by the debtor and does not specify the date when settlement will be made.

### Means of Payments

Refers to the additional items given out when making payments. The common means of payments are:

#### Cash

This refers to notes and coins. Notes and coins are issued by the central Bank and are also referred to as legal tender

### Advantages of Cash payment

It is the only means of payment which is a legal tender.  
Convenient for settlement of small debts.  
It is convenient to people with or without bank accounts.

### Disadvantages of cash Payment

Not convenient for large amounts.  
Cash can be lost or stolen easily as it is readily usable.  
Unless a receipt is issued, payment in cash may be difficult to prove.

### Circumstances under which cash payment is appropriate.

Where the amounts involved are small.  
Where the payee does not accept other means of payment.  
Where cash is the only means available.  
Where the payee requires cash urgently.  
Where there is need to avoid expenses associated with other means of payments.

### Cheque

A cheque is a written order by an account holder with the bank (drawer) to the bank to pay on demand a specified amount of money to the named person or the bearer.

### Parties to a cheque

#### Drawer

This is the person who writes the cheque.

#### Payee

This is the Person to be paid

#### Drawee

This is then bank.

### Types of cheque

#### Open cheque

An open cheque is the one that can be cashed over the counter. The payee can receive cash when he presents the cheque to the bank (drawer)

#### Crossed cheque.

A crossed cheque can only be deposited in an account. When the payee takes the cheque to the bank, the bank increases the money in his account.

### Dishonored cheque.

A cheque is dishonored if the bank refuses to pay. It can also be said to have bounced.

### Reasons for dishonoring a cheque

Insufficient funds in the account.

Signature of the account holder may differ from the specimen in the bank.

When the cheque is post-dated, i.e. a cheque presented for payments earlier than the date indicated on it.

Stale cheque, that is a cheque presented six months after the date issued.

If the drawer has closed his/her account with the bank.

When the cheque has been altered and the drawer has not signed against the alteration.

If a bank learns about death, insanity or bankruptcy of the drawer and has instructions to the bank not to honor the cheque when presented.

### Advantages of using a cheque

More secure than notes and coins because if they are lost or stolen, they can be traced to the person who cashed them.

They are convenient to carry and can be used to pay large sums of money which would otherwise be

inconvenient if paid in notes and coins.

Payment can be made by cheque without the need to travel to make the payment.

When payment is made by a cheque, the cheque takes the place of a receipt for future reference in case of controversy or loss of other documents.

Cheques are negotiable.

### Disadvantages of using a cheque

Requires the payee to go to the bank.

Cheque may be dishonored.

The drawer pays some bank charges.

Can only be issued by an account holder.

Some people may refuse to accept personal cheques fearing that they may be dishonored.

### Circumstances under which a cheque is appropriate as a means of payments.

Where the amount of money involved is large.

Where the policy of the business demands so.

Where the cheque is the only means available.

Where there is need to avoid risks associated with other means of payments.

### Bill of exchange

This is an unconditional order, in writing, addressed by one person to another, requiring the person to whom it is addressed to pay on demand, or at a stated future date, the sum of money on the bill to a named person or to a bearer.

#### A bill of exchange must be:

Signed by the drawer.

Accepted by the drawer.

Accepted unconditionally.

Bear a revenue stamp.

### Advantages of a bill of Exchange

The holder may pass the rights on the bill to another person.

Date of payment is determined.

Acceptance by the debtor makes it legally binding.

Acceptance by the debtor makes it legally binding.

The payee may receive money before due dates by discounting.

### Disadvantages of bill of exchange

It may be dishonored on maturity.

Cash may not be readily available.

An expensive form of credit as the creditor may lose part of the face value of bill in form of discount.

### Circumstances under which a bill of exchange is appropriate.

Where the creditor wants to be assured that the payment would be made.

When the creditor wants money while the debtor is not able to raise it before the end of the credit period.

Where the creditor wants to use the debt to pay another debt.

### Promissory note.

A document whereby one person promises to pay another person or his/her order, a specified sum of money at a certain stated date.

### Similarities between bill of Exchange and promissory note.

Both act as evidence of the acknowledgment of a debt.

Both may be discounted before maturity.

Both are legally binding.

### Money order

Money orders are sold by post office for the purpose of remitting money.

#### Contents of money order

Amount of money to be paid.

Name of the person to whom the money is to be paid.(Payee)

Name of the post office at which the money order is to be cashed.

Name and address of the sender.

Whether the money order is to be sent by telegraph or ordinary means.

Whether the sender wishes to be informed if the money has been paid.

#### Circumstances under which money order is appropriate.

Where it is the means available.

Where other means are not accepted.

Where there is need to avoid inconveniences or risks associated with other means.

### Postal order

Postal orders are sold by the post office for the purpose of remitting money and they are available in fixed denominations.

#### Circumstances under which postal orders are appropriate

Where the amounts involved are small.

Where it is the only means available.

Where there is need to avoid inconveniences and risks associated with the means of payments.

Postal orders	Credit Note
It can be cashed at any post office.	It can be cashed at specific post office.
Are in fixed denominations.	Varies according to the needs of the remitter
Does not require any application form to make a remittance.	Requires the filling in of an application form in making remittance.
Can be cashed by the bearer	Can only be cashed by the payee

### Postal stamps

Used to pay small amounts of money.

### Premium Boards

Issued by the post office in denominations of Ksh 10 and sh 20 and they mature after a given period, after which one can cash them.

#### Circumstance under which postage stamps and premium bonds are used.

Where the amounts involved are small.

Where they are the only means available.

### Bankers cheque (bank draft)

This is a cheque drawn on a bank

### Circumstance under which bankers cheque is appropriate

Where the amounts involved is large.

Where payee wants to be guaranteed of payment.

### Terms of payments

This are terms used by the seller to indicate how payment is expected, when it is expected or what is included in the quoted price of a commodity.

They are as follows:

#### Cash

When goods or services are paid for immediately on or before delivery, it is referred to as spot cash/cash transaction.

#### Terms used under cash transactions:

##### COD (Cash on Delivery).

The goods or services are paid for when they are delivered.

##### C.W.O (Cash with Order)

Payment is made at the time of making the order.

#### Benefits of C.O.D and C.W.O

Reduces risk of bad debts.

Working capital is readily available.

Records maintained are few hence few workers are employed.

No time wasted in following customers to pay.

### Circumstances under which C.O.D and C.W.O are appropriate.

When the buyer is new to the seller.

Where the buyer's credit worthiness is in doubt.

Where the seller is operating mail order business.

Where cash with order is the policy of the business.

#### Deferred payments.

This is where goods or services are not paid for in full on delivery but paid in future.

#### Forms of Deferred payments.

##### Open trade credit

Goods or services are sold on credit such that the buyer pays for them at a future date or within a given period.

#### Ways in which the seller insures that the buyer will pay.

Ascertaining the creditworthiness of the buyer.

Asking the buyer to guarantee payments by signing some documents e.g. bill of exchange.

Asking the buyer to have someone else to guarantee payment.

Asking the buyer to pledge some of his/her property as security.

#### Factors to consider when giving credit.

Credit worthiness of the buyer.

Repayment period.



Amounts of goods the customers wants.  
Availability of adequate stock.  
Honesty/reliability of the customer.  
Frequency at which the customer buys from the seller.  
Sellers' intention to attract and retain customers.

#### Credit period depends on:

Buyer /seller relationship.  
Types of goods.  
Capital base/financial stability of the seller.

#### Examples of open trade credit.

##### Simple credit/ prompt cash

Simple credit is extended to a trader or customer for a very short time, usually not more than a week.

##### Monthly Credit

This type of credit is extended when a seller allows the buyer to settle his/her account after one month.

##### Budget accounts

Usually operated by large scale retailers. The retailer keeps an account of the customer in his/her books.

##### Trade credit

This is credit given by a trader to another trader when goods are bought for reselling.

#### Credit card facilities

A credit card enables the holder to obtain goods and services on credit from specific suppliers.

#### Advantages of credit card

Holders can get goods and services from specified sellers without paying immediately.  
Convenient to carry around.  
Enables the holder to get money from specified banks.  
Increases credit ratings of an individual.  
It is safer to carry the card around than to carry cash.  
Some cards are internationally acceptable.

#### Disadvantages of credit card

It is prone to abuse through fraud.  
Interest is charged if there is delay in repayment.  
Holders may be tempted to overspend.  
Only a few businesses accept the cards.  
Long procedures are involved in getting the card.  
The holder is charged high interest rate by the card company.  
Use limited to only specific areas (urban areas)

#### Hire purchase

This is a method of hiring property with an option to buy.

#### Advantages to the buyer.

The buyer may acquire possession and use of goods immediately after entering into the contract.  
The buyer can possess more goods, including expensive ones.  
Installments to be paid are pre-determined, so the buyer knows and is able to budget for this amount

#### Disadvantages to the buyer

The goods belong to the seller until the last installment is paid.  
May lead the buyer into financial problems after buying more than he/she can actually pay.

Limited types of goods can be bought on hire purchase.

Hire purchase is an expensive way of buying goods.

### Installment buying

This is similar to hire purchase except that the ownership and possession of the commodity passes to the buyer immediately the down payment is made.

### A comparison of hire purchase and installment buying

Hire purchase	Credit purchase
The buyer does not become the owner of the goods on taking their possession.	The buyer becomes the owner of the goods on taking their possession.
The buyer cannot resell the goods since he/she is not the legal owner of the goods.	Can resell the goods as he or she is the legal owner.
The hire purchase price is usually higher than the price of goods bought on credit or cash as interest is charged on hire purchase	The price of goods bought on credit or cash is lower than that of the same Goods bought on hire purchase since no interest is charged.
If the buyer defaults in paying any instalment goods may be repossessed by the owner.	Goods can be repossessed if the buyer defaults payments.

### Other terms of payment.

#### Discounts

This is an allowance by the seller to the buyer such that the buyer pays less than the market price.

#### Types of discounts

##### Quantity discounts

This is an allowance by the seller to a buyer to encourage bulk buying.

##### Trade discounts

This is a quantity discount allowed by a trader to another trader so that the buyer can make a profit after selling the goods.

### Cash discount

This is an allowance by a trader to his credit customer to encourage them to pay the debts promptly.

### Circumstances under which deferred payments may be appropriate.

Where the credit worthiness of a customer is unquestionable.

Where the seller wants to attract or retain customers.

Where the seller wants to increase sales.

Where the seller wants to use credit facilities as a competing tool.

Where the seller wants to dispose of slow moving stock.

### Standing order.

This is an instruction by an account holder to his/her bank authorizing it to be making regular payments of specified amount to a specified person or a firm until the order is cancelled.

End of topic

Did you understand everything?  
If not ask a teacher, friends or anybody and make sure you understand before going to sleep!

## Past KCSE Questions on the topic

### PAPER 1

1. Highlight four factors that may contribute towards the growth of business in the Country. (4mks)
2. State four uses of an invoice for a seller of goods. (4mks)

**\*LATEST HIGH SCHOOL NOTES\***  
**\*0714497530\* (Mr Isaboke)**

Maths form 1-4  
English form 1-4  
kiswahili form 1-4  
chemistry form 1--4  
Biology form 1-4  
Physics form 1--4  
Agriculture form 1--4  
Business form 1--4  
Cre form 1--4  
History form 1--4  
Computer form 1--4  
Geography form 1--4

**Homescience f1–4**

**I.R.E studies f1-4**

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