## MARKING SCHEME

| (a) | They used creativity <br> They were able to use their creative minds/imagination to cover the sacks of maize meal/empty maize meal bags with a beautiful cloth, fitted the buttons for support and made a handle for easy carrying of groceries. | 1 mark <br> 1 mark <br> Max 2 |
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| (b) | Reduce littering <br> They would be reducing the amount of bags that would otherwise be all over the place if not disposed off properly. By so doing they would be taking care of the environment. <br> Provision of shopping bags <br> They would be assisting teachers with shopping comfort since they would be able to use the bags over a long period of time. | 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> Max 4 |
| (c) (i) <br> (ii) | Discounts <br> They could be giving cash discount to encourage the customer to pay promptly thus increasing sales. <br> OR <br> Using samples/displays <br> The bags would be displayed at a strategic location within the school, preferably, the staff room. This would enable the teachers who are the target market, to appreciate the bags and possibly place an order or buy, hence increase sales. <br> OR <br> Advertising on staff notice board The advertisement can be easily noticed by teachers who are the target market. | 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> Max 2 |
| (d) (i) <br> (ii) | Weakness <br> Lack of business skill <br> The Form 2E are targeting the teachers only which shows lack of skill. As a result, there would not be enough sales. Nonteaching staff as well as students may also be interested in buying their bags. Therefore the business may fail to meet the demand as it has initially underestimated the market size. <br> Opportunity <br> Wider market <br> The Form 2E students did not include students as their target market. There is an opportunity to grow their market by including the students. | 1 mark <br> 1 mark <br> 1 mark <br> 1 mark |


|  | OR <br> Support from school <br> Since the business would be taking care of the environment by using empty maize bags, the school would support them. This could be in the form of financial support and allowing them to sell within the school premises. | 1 mark <br> 1 mark <br> Max 4 |
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| (e) | Information about the market sizeltype <br> They would be able to know whether indeed the intended market would be willing to purchase their bags and be able to estimate the market size, whether ladies and gentlemen would buy. <br> Price to charge <br> They would be able to know the price which the potential customers are willing to pay for their bags, hence reasonably pricing the bags. <br> Customers preference <br> They would be able to know what their potential customers like, for example, the type of covering material, the length of the straps and the size of the bag. This would help them in choosing the most preferred bag. <br> Type of advertising to use <br> Reaching out to customer to make them aware of their bags would be done in line with what the customers want, hence effectively advertising the bags for potential buyers. <br> The time most suitable to sell the bags <br> They would be able to know when their potential customers are likely to buy their bags i.e. the time of the day, whether during break time, lunch time or after study. | 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> Max 6 |
| (f) (i) <br> (ii) | Should be measurable and time bound e.g. to produce 50 bags per week. <br> - The production plan would lay out a schedule of production and how the Company would maintain the schedule of production. <br> This would help the Company to keep production on track. <br> - The plan addresses key elements in advance. This would ensure that there is uninterrupted work flow at the Company. | 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> Max 4 |


| (iii) <br> (iv) | Any elements of a production plan <br> - Material ordering <br> - Human resource/personnel <br> - Bottlenecks <br> To have a record which would be referred to. <br> The minutes reminds the students/Company owners of any action items that have to be done so that nothing is forgotten or left out. <br> Legal requirement <br> It is a legal requirement that companies write and maintain updated minutes so the Company will have to adhere to the requirements. | Any two 1 mark each Max 2 <br> 1 mark <br> 1 mark <br> 1 mark <br> 1 mark <br> Max 2 |
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| (g) (i) |  $\mathbf{P}$ <br>  96 <br> $12 \mathrm{~m} \times \mathrm{P} 8$ cloth 50 <br> $10 \mathrm{~m} \times \mathrm{P} 5$ lining 200 <br> $10 \times \mathrm{P} 20 \mathrm{zips}$ 499 <br> $20 \times \mathrm{P} 24.95$ glue 219 <br> $20 \times \mathrm{P} 10.95$ buttons  <br> $10 \times \mathrm{P} 2$ each empty  <br> maize meal bags $\underline{1084}$ <br> Total $\underline{ }$Cost of producing one bag  <br>  $\mathbf{P}$ <br> Covering cloth: $11 / 2 \mathrm{~m} \times \mathrm{P} 8$ $12.00(1)$ <br> Lining: $1 / 2 \mathrm{~m} \times \mathrm{P} 5$ $2.50(1)$ <br> Buttons: $2 \times \mathrm{P} 10.95$ $21.90(\mathbf{1 )}$ <br> Glue: $1 \times \mathrm{P} 24.95$ $24.95(\mathbf{1 )}$ <br> Zip: $1 \times \mathrm{P} 20$ $20.00(\mathbf{1})$ <br> Empty bag: $1 \times \mathrm{P} 2$ $\underline{2.00(1)}$ <br> Total cost $\underline{\underline{83.35(1)}}$ | Any 2 items correctly calculated 2 marks <br> Correct <br> Total <br> 1 mark <br> Max 3 <br> Any 2 <br> correctly calculated 2 marks correct total 1 mark <br> Max 3 |


| (h) (i) | The structure |  |
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|  | - gives a clear definition of authority <br> - lays down clear channels and patterns of communication <br> - it facilitates proper administration within the company <br> - helps coordinate company's activities <br> - prevents duplication of functions within the company | Any 2 <br> 1 mark each <br> Max 2 |
| (ii) | Records kept by the Production Department. |  |
|  | Stock card | 1 mark |
|  | It can be stock of materials (raw) or stock of bags to be sold. | 1 mark |
|  | Requisition form <br> It shows how much materials are needed in order to produce the bags. It would be submitted to the Purchasing Department to secure the materials. | 1 mark |
|  | Order form <br> Shows what the Production Department wants so as to produce the bags. | 1 mark <br> 1 mark |
|  | Labour schedule | $1 \text { mark }$ |
|  | and when in order to ease work flow. | 1 mark |
|  | Any other relevant document | Any 2 <br> 2 marks each |
|  |  | Max 4 |
| (i) | Marketing Department |  |
|  | - No misleading advertisements <br> - Appropriate pricing | 1 mark 1 mark |
|  |  | Max 1 |

