



ICM

MARCH 2016

THE BUSINESS ENVIRONMENT

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any FOUR questions
 - c) All questions carry equal marks. Marks for each question are shown in []
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- 1.
 - a) Explain the complete cycle of production. [8]
 - b) Explain the term '**wealth**'. [8]
 - c) Describe the factors of production. [9]
 - 2.
 - a) Explain the term '**business environment**'. [8]
 - b) Discuss the twin problems of creating wealth. [9]
 - c) Explain the term '**planned economy**'. [8]
 - 3.
 - a) Why is profit important to business? [10]
 - b) What are the chief diseconomies of large scale output? [10]
 - c) List FIVE occupations in personal services. [5]
 - 4.
 - a) Explain the importance of money. [10]
 - b) What is money that does not have intrinsic value? [5]
 - c) Describe the nature of the economy of YOUR country. [10]
 - 5. Write notes on FIVE of the following:
 - a) Labour
 - b) Law
 - c) Three parts of the business environment
 - d) Consequences of growth
 - e) Public sector
 - f) Countertrade
 - g) Interest[5 each]