BUSINESS STUDIES

GRADE 10

MARKING SCHEME

1. Define money. (2 marks)

Money is anything that is generally accepted as a medium of exchange for goods and services and for the settlement of debts.
(2)

---

2. List four functions of money. (4 marks)

- Medium of exchange
- Unit of account (measure of value)
- Store of value
- Standard of deferred payment

(1 mark each = 4)

---

3. Differentiate between demand of money and supply of money. (2 marks)

Demand for money – The desire or need by individuals and businesses to hold money for transactions and other purposes. (1)

Supply of money – The total amount of money available in an economy at a given time. (1)

---

4. State four importance of setting goals in business. (4 marks)

- Provides direction to the business
- Helps in planning and decision making
- Motivates workers
- Helps measure performance and success

(1 mark each = 4)

---

5. Explain FOUR types of budgets. (8 marks)

- **Cash budget** – Shows expected cash inflows and outflows over a period. (2)
- **Sales budget** – Estimates expected sales revenue for a period. (2)
- **Production budget** – Shows the number of goods to be produced to meet sales demand. (2)
- **Expense budget** – Shows expected costs and expenses of the business. (2)

(2 marks each = 8)