GRADE 7 TERM 1
BUSINESS STUDIES LESSON NOTES

BUSINESS AND MONEY MANAGEMENT

Introduction to business studies

Business – refers to any activity that is carried out by an individual or an organization concerned with provision of goods and services with the aim of making profits
Business studies- it 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 which are tangible i.e. can be touched and felt e.g. furniture, buildings, bread. Etc
Services – These are actions or activities that may be sold. They are intangible e.g. teaching, banking, hairdressing etc
Production – It is the creation of goods and services or increasing their usefulness. Its done by producers e.g. farmers.
Distribution – It's the movement of goods and services from the producer to the user. Involves transport, communication etc
Consumption – Refers to using of goods/service mostly done by consumers

Concept of business studies in Kenya

1. ***Commerce***

It is the Study of trade and aids to trade.
This component will help you understand how goods are distributed from where they are produced to where they are required
Trade is the exchange of goods and services for other goods or services or for money.

2. ***Accounting***

It's a systematic way of recording/keeping accurate business records arising from trading activities for decision making**.**

3. ***Financial literacy***

This is the ability to understand effectively use various financial skills
These skills include personal financial management, budgeting and investing.

4. ***Economics***

It's the study of how human beings strive to satisfy their unlimited needs and wants using limited resources available.
Human wants are the desires that people strive to satisfy using goods and services.
Resources – Things that are required in order to satisfy human wants

5. ***Entrepreneurship***

It's the study of activities involved in identifying a business opportunity and acquiring necessary resources to start a business.

Importance of business studies

1. It equips us with the knowledge and skills to successfully start and run a business