

NAME _____ INDEX NUMBER _____
SCHOOL _____ SIGN _____
DATE _____

565/1
BUSINESS STUDIES
PAPER 1
JULY/AUGUST 2011
2 HOURS

KANGUNDO DISTRICT FORM 4 EXAM 2011
KENYA Certificate of Secondary Education
BUSINESS STUDIES
PAPER 1
2 HOURS

INSTRUCTIONS

This paper consists of 25 questions
Answer all the questions in the spaces provided

This paper consists of 7 printed pages

Turn Over

1. Highlight four roles played by business studies in the society (4mks)
- (a) _____
 - (b) _____
 - (c) _____
 - (d) _____
2. Outline four elements that constitute internal environments of a business.
- (a) _____
 - (b) _____
 - (c) _____
 - (d) _____

3. Name the factor of production that each of the following resources relate to: (4mks)
- | Resource | Factor of production |
|-------------|----------------------|
| (a) Manager | |
| (b) Vehicle | |
| (c) Owner | |
| (d) Water | |
4. Outline three circumstances under which a trader may insist on being paid in cash. (3mks)
- (a) _____
- (b) _____
- (c) _____
- (d) _____
5. Outline four reasons that make it increasingly difficult to satisfy human wants. (4mks)
- (a) _____
- (b) _____
- (c) _____
- (d) _____
6. State four sources of good business ideas that Katisya, an entrepreneur can use to start a successful business entity. (4mks)
- (a) _____
- (b) _____
- (c) _____
- (d) _____

2.

7. Outline four advantages of using E-mail in communication. (4mks)
- (a) _____
- (b) _____
- (c) _____
- (d) _____
8. State four reasons why Kalekye should run a sole proprietorship form of a business rather than a partnership firm. (4mks)
- (a) _____
- (b) _____
- (c) _____
- (d) _____
9. Classify the following risks as either insurable or non – insurable in the spaces provided. (4mks)

Type of risk	Insurable	Non-insurable
(a) Loss of life due to motor accident		
(b) Damage of bus by rioting students during a strike.		
(c) Loss due to poor management styles		
(d) Loss of premises burnt down by fire		

10. State what happens in the following aspects of business interactions. (4mks)
- (a) Privatisation
- (b) Nationalisation
- (c) Globalisation
- (d) Liberalization
11. Distinguish four differences between the following types of warehouses. (4mks)
- | | |
|-------------------|-----------------|
| Bonded warehouses | Free warehouses |
|-------------------|-----------------|

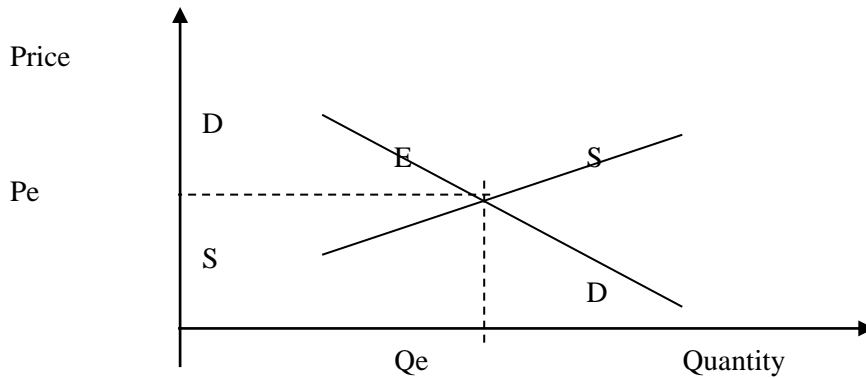
- (a) _____
- (b) _____
- (c) _____
- (d) _____

12. Give four reasons why Joseph should use a radio advertisement instead of newspapers to advertise his products. (4mks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

3.

13. The diagram below shows demand and supply curves of a commodity.



Show on the diagram and state what happens if supply increases while demand remains constant. (4mks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

14. Enumerate four problems that a producer may encounter if he sells goods directly to consumers. (4mks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

15. Outline four assumptions that circular flow of income in a closed economy work under. (4mks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

16. State four effects of unemployment to an individual. (4mks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

4.

17. Determine the capital of Njogu wholesalers as at 1st /6/ 2002 from the following information. (4mks)

	Ksh.
Capital	
Land	240, 000
Motor van	210, 000

3 years loan	180, 000
Creditors	45, 000
Debtors	90, 000
Stock	75, 000
Cash at Bank	60, 000

18. Enter the following transactions to the relevant ledger accounts. (4mks)

- May 1 Started business by depositing in the bank a cheque of sh 20,000
 5 Withdrew cash sh 40,000 from bank for business use.
 10 Kaluki a debtor paid sh 80,000 cash.
 12 Withdrew cash sh 20,000 from the business for personal use.

5.

19. The following information was available from the books of Maendeleo Traders for the year ended 31/12/2010

Opening stock	30, 000
Closing stock	50, 000
Sales	400, 000
Rate of stock turn over	5 times

Required:

- Prepare a trading account for the year ending 31/12/2010 (show all the workings) (4mks)

20. State four factors that influence the transaction motive of handling money. (4mks)

- (a) _____
- (b) _____
- (c) _____
- (d) _____

6.

21. The following account balances were obtained from the books of Kakuzi traders on 30th June 2001

	Ksh
Motorvan	240, 000
Current liabilities	440, 000
Land and buildings	200, 000
Current assets	420, 000
Furniture	60,000
Capital	480, 000

Prepare a trial balance for Kakuzi traders as at 30/6/2001 (4mks)

22. State four principles of government expenditure. (4mks)

- (a) _____

- (b) _____
- (c) _____
- (d) _____
23. Outline four various ways that may be used to control inflation. (4mks)
- (a) _____
- (b) _____
- (c) _____
- (d) _____
24. State four benefits that Kenya may derive from preparation of a proper development plan. (4mks)
- (a) _____
- (b) _____
- (c) _____
- (d) _____
25. Give four reasons why a business organization maintains a two column cash book. (4mks)
- (a) _____
- (b) _____
- (c) _____
- (d) _____

7.

565/1

BUSINESS STUDIES

PAPER 1

JULY/AUGUST 2011

2 HOURS

KANGUNDO DISTRICT FORM 4 EXAM 2011

KENYA Certificate of Secondary Education

BUSINESS STUDIES

PAPER 1

MARKING SCHEME

1. Roles played by business studies.
- Enables one to acquire sufficient knowledge and skills on how to start and manage business enterprise profitably.
 - A foundation for further studies.
 - One can participate in employment and wealth creation.
 - Increases critical thinking and in depth understanding of business related issues.
 - Enables a learner to understand other subjects better e.g. Agri, history.
 - The learner is able to appreciate the need for ethical practices in business management.
 - One is able to understand the role of government in business activities.
 - The role of modern technology in business.
 - The role of auxiliary services in business

(1 x 4 = 4mks)

2. Elements that constitute internal environment of a business.
- Workers/employees of a business.
 - Assets that enable the business to take place e.g. buildings, equipments and level of skills in use in the business.
 - Business structure.
 - Business culture.
 - Technology.

(1 x 4 = 4mks)

3. Resource Factor of production.
- (a) Manager Labour.
- (b) Vehicle Capital.
- (c) Owner Entrepreneurship.
- (d) Water Land.

(1 x 4 = 4mks)

4. Circumstances which a trader is paid cash.

- When the customer is new.
- When one doesn't want to suffer from bad debts.
- When amount involved is too small.
- When items/goods involved are fast moving goods.
- When the seller is in dire need of working capital.

(1 x 4 = 4mks)

This paper consists of 6 printed pages

Turn Over

5. Difficulties in satisfaction of human wants.

- Wants are limitless.
- Resources to satisfy human wants are scarce.
- Human wants keeps on changing according to age, season and social status.
- Human wants are recurrent.
- Customers have to make tough choices in satisfying their wants.
- Human wants are insatiate .

(1 x 4 = 4mks)

6. Sources of good business ideas

- Through a training programme.
- By attending shows, Exhibitions and trade fairs.
- By reading newspapers, magazines e.t.c.
- Through having brainstorming sessions with friends and other people with information on business ideas (Experts). – from his hobbies
- by getting ideas from the internet
- by observing and conducting surveys to find out if a gap exists in the market.

(1 x 4 = 4mks)

7. Advantages of using e-mail

- One can send messages that contain photos and diagrams
- Ability to communicate to more than one person at the same time.
- There's evidence of communication
- Possible to forward information to other businessmen.
- Can access messages using personal computer or mobile phone
- It's faster.

(1 x 4 = 4mks)

8. Advantages of sole proprietorship

- Its easy to make decisions
- No disagreements as regards to decision making/fast decision making process.
- Easier to keep secrets
- There's motivation and self confidence.
- No sharing of profits
- Requires small amount capital to start
- Easy and fast to change the form of business to another

(1 x 4 = 4mks)

9. Type of risk

	insurable	non-insurable
(a)	√	
(b)		√
(c)		√
(d)	√	

10. (a) Privatisation.

- Transferring government owned firms to private ownership.

(b) Nationalisation.

- It's the take over of privately owned firms e.g. banks by the government.

(c) Globalisation.

- A situation where the world is becoming one large market with firms able to conduct businesses all over the world via internet.

(d) Liberalisation.

- Opening of the market to the forces of demand and supply and encourage foreign competition to the domestic business people.

2.

11. Bonded warehouses

- Stores goods that are subject to custom duty
- Located at the point of entry to a country
- The government monitors their operations
- Goods are only released after issuing a release warrant by the government.

free warehouses

- Duty is not required
- can be located anywhere
- Their operations are free from govt interference
- Goods are usually released without a release warrant

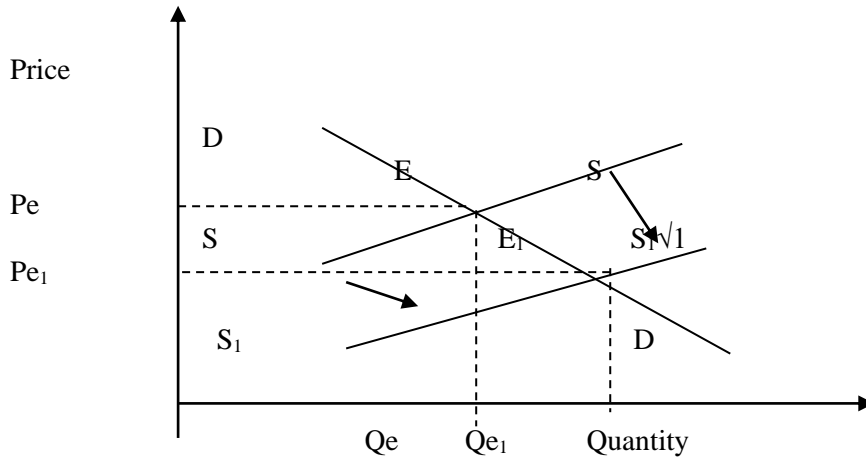
(1 x 4 = 4mks)

12. Advantages of radio advertisement.

- Radio advert has a wider coverage than newspaper adverts.
- Both illiterate and literate can benefit from radio advertisements.
- Radio adverts can be accompanied by music entertainment unlike newspaper.
- Radio adverts are faster i.e. reach buyers promptly while newspaper adverts aren't immediate.
- Different languages are used in radios i.e. use of local dialect.
- Advert can be repeated many times over the radio unlike on newspaper.

(1 x 4 = 4mks)

13.



- SS curve shifts to right to S_1S_1
- Equilibrium quantity increases from Q_e to Q_{e_1}
- Equilibrium price falls from P_e to P_{e_1}
- Equilibrium point moves along demand curve from E to E_1

14. Problems of selling goods directly to consumer

- Increased storage costs.
- Increased transport costs.
- Increased cost of promoting/Advertisement.
- Increased cost of preparing goods for sale.
- Increased cost of production.

(1 x 4 = 4mks)

3.

15. Assumptions of circular flow of income.

- Households spends all their incomes in buying goods and services from firms – no savings.
- There's no government intervention in circular flow
- There's no leakages or withdrawals from closed economy
- Firms spends all their incomes received on production of goods and services
- Firms sell all their goods and services to the households.

(1 x 4 = 4mks)

16. Effects of unemployment.

- Lack of income for the individual.
- May make individual result to evils e.g. criminal activities, prostitution to earn money.
- Makes individual not to be able to use their skills which goes to waste leading to under utilization of skills.
- May get stressed leading to medical expenses due to lack of employment and income.
- Its expensive looking for employment. One has to type letters, C.V, post or deliver them personally.

(1 x 4 = 4mks)

17. Balance sheet
As at 31/6/2002

Land	240,000√	capital	450,000√
Motor van	210,000√	3 years loan	180,000√
Debtors	90,000√	creditors	45,000√
Stock	75,000√		
Cash at bank	60,000√		
	<u>675,000</u>		<u>675,000</u>

(½ x 8 = 4mks)

C = A - L

Asset			
Land	240,000√		
Motor vehicle	210,000√		
Debtors	90,000√		
Stock	75,000√		
Bank	60,000√		
	<u>675,000</u>		
Less liabilities			
3 years loan	180,000√		
Creditors	45,000√	225,000	
Capital		<u>450,000√</u>	

Capital a/c			Bank a/c		
Date	Details	Amt	Date	Details	Amt
1	bank	20,000	1	capital	20,000
			2	Cash	40,000

Cash a/c			Kaluki a/c		
Date	Details	Amt	Date	Detail	Amt
10	Kaluki	80,000	12	Drawings	20,000
2	Bank	40,000			

4.

Drawings a/c		
Date	Details	Amt
12	Cash	20,000

(½ x 8 = 4mks)

19. C.O.S => R.O.S.t.O = C.O.S
AV. Stock

$$5 = \frac{C.O.S}{30,000 + 50,000 \cdot \frac{1}{2}}$$

$$5 = \frac{C.O.S}{40,000} \Rightarrow C.O.S = 200,000.00 \cdot \frac{1}{2}$$

Maendeleo traders
Trading a/c
For the year ended 31.12. 2010

Opening stock	30, 000	Sales	400, 000
+ Purchases	220, 000		
c. o. g. a. f s	250, 000		
- Closing stock	50, 000		
C.O.S	200, 000		
G.P	400, 000		
	<u>400, 000</u>		<u>400, 000</u>

($\frac{1}{2} \times 6 = 3\text{mks}$)

(NB: If no working of calculation of C.O.S, shown deduct 1mk)

20. Factors influencing transaction motive of holding money

- The individual level of income.
- The gap between ones pay day and another.
- Level of prices for goods and services.
- Business motive e.g. small firm will require less money for its operations.

(1 x 4 = 4mks)

21. Kakuzi traders

Trial balance
For the period ended 30/6/2001

	DR (Ksh)√	CR (Ksh)
Motor van	240, 000	
Current liabilities		440, 000√
Land and buildings	200, 000√	
Current assets	420, 000√	
Furniture	60, 000√	
Capital		480, 000√
	<u>920, 000√</u>	<u>920, 000√</u>

($\frac{1}{2} \times 8 = 4\text{mks}$)

5.

22. Principles of government expenditure

- The expenditure aims at having maximum social benefit to all individuals in the country.
- Economy of expenditure i.e. before spending. Care should be taken to avoid waste and delay in implementation
- There should be authorization of the expenditure by the relevant authorities
- Flexible i.e. should take care of any future changes that may arise
- Accountability: proper accounts must be kept and audited
- Fairness/Equity; i.e. the expenditure should be carried out with aim of reducing inequalities

(1 x 4 = 4mks)

23. Ways of controlling inflation

- Wage guidelines should be given by the government where a restriction is put on salary increase
- Control of highly priced imports
- Lowering of government taxes
- Prices should be regulated by the government or price control exercised
- Device and come up with better methods of production that are cost effective.
- The government can bring down the cost of production through subsidies.
- The cost of energy should be lowered.
- Reduction of money supply through open market operation i.e. selling treasury bonds and bills.

(1 x 4 = 4mks)

24. Benefits of proper development plan

- It may attract foreign aid and investment.
- May allocate the country's scarce productive resources in the best way possible.

- May correct high inequalities in income distribution in the country.
- May co-ordinate different bodies and ministries of the government.
- May influence external trading relations to achieve desirable effects on the economy.
- To help in evaluating the performance of the economy.
- To safeguard social interests which would not be catered for by private sector.
- To correct misallocation of resources in the country.

(1 x 4 = 4mks)

25. Reasons for keeping a two – column cash book.

- It records any receipts and payments.
- It's a document of original entry (part of ledger).
- It helps to show the flow of cash in an organization.
- It helps in preparation of final statement.

(1 x 4 = 4mks)

6.

NAME _____ INDEX NUMBER _____
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565/2
BUSINESS STUDIES
PAPER 2
JULY/AUGUST 2011
2 ½ HOURS

KANGUNDO DISTRICT FORM 4 EXAM 2011
KENYA Certificate of Secondary Education
BUSINESS STUDIES
PAPER 2
2 ½ HOURS

INSTRUCTIONS

This paper consists of 6(six) questions
Answer all any five questions
All questions carry equal marks

This paper consists of 3 printed pages

Turn Over

1. (a) Explain five circumstances under which deferred payments may be appropriate to the seller (10mks)
(b) Outline differences between a private company and a public corporation (10mks)
2. (a) Explain five problems associated with expenditure approach when used to compute National Income (10mks)
(b) Explain five methods used by the central Bank of Kenya to control credit. (10mks)
3. (a) From the following list of balances which were extracted from the books of Kamau as at 31st December 2009. Prepare a Trading profit and loss Account (10mks)

Details	Debit	Credit
Sales		670, 000
Opening stock	60, 000	
Purchases	380, 000	
Returns inwards	70, 000	
Carriage on purchases	10, 000	
Commission received		15, 000
Rent paid	18, 000	
Salaries and wages	33, 000	
Postage	2, 000	
Discounts received		7, 000
Repairs and maintenance	12, 000	
Travelling	4, 000	
Cash in hand	100, 000	
Motor vehicles	3, 000	
	<u>692, 000</u>	<u>692, 000</u>

Additional information

(i) The closing stock 40, 000

(b) You have been appointed as a Human resource manager in one of the leading Kenya's Commercial banks. Explain five ways that you would adopt to improve the productivity of its human resources. (10mks)

2.

4. (a) The following is a Balance Sheet of Reto Traders as at 31st December 2010

Reto Traders
Balance sheet
As at 31st December 2010

	Shs			shs
Motor vehicle	500,000		Capital	2,350,000
Buildings	1,000,000	Net profit	150,000	2,500,000
Equipment	750,000			
Furniture	250,000	Bank overdraft	285,000	
Stock	100,000	Outstanding rent		40,000
Debtors	100,000			
Bank	100,000			
Cash	25,000			
	2,825,000			2,825,000

Additional information

- (a) Sales during the year amounted to shs 2,000,000
- (b) Stock on 1st January 2010 was shs 50,000
- (c) Gross profit Margin was 25%

Calculate:

- (i) Current ratio (2mks)
- (ii) Gross profit mark up (2mks)
- (iii) Rate of stock turn over (4mks)
- (iv) Rate of capital invested (2mks)

(b) Explain five reasons developing countries are reluctant to implement free trade agreements (10mks)

5. (a) Discuss five measures that may be taken to solve unemployment problems in Kenya (10mks)

(b) Describe five channels that can be used to distribute local agricultural produce.

6. (a) Describe five functions of the stock Exchange market (10mks)

(b) State and explain five factors that may account for the presence of small firms in an economy. (10mks)

565/2
BUSINESS STUDIES
PAPER 2
JULY/AUGUST 2011

KANGUNDO DISTRICT FORM 4 EXAM 2011
KENYA Certificate of Secondary Education
BUSINESS STUDIES
PAPER 2
MARKING SCHEME

1. (a) Circumstances under which deferred payments may be appropriate
- Where the credit worthiness of the customer is unquestionable.
 - Where the seller wants to dispose off slow moving stock.
 - Where the seller wants to attract more customers.
 - Where the seller wants to increase sales.
 - Where the sellers wants to use credit facilities as a competing tool
 - Where the seller wants to retain the existing customers

(5 x 2 = 10mks)

- (b) Differences between public corporation and private limited company.

Public corporation	Private limited company
(i) Formed by an act of parliament status	(i) Formed under registration of the company Act cap 486
(ii) Initially financed by the government	(ii) Financed by the shareholders
(iii) Board of directors are nominated by the government	(iii) Directors are nominated/elected by shareholders
(iv) There is a lot of political influence due nominations of directors by government	(iv) No political influence/except through the enacted laws to
(v) Losses are occasionally/subsided/borne by government	(v) Losses may eventually/lead to collapse of business/burned by owners.
(vi) Owned by the government	(vi) Owned by individuals/shareholders
(vii) Not necessarily profit motivated	(vii) Its profit motivated
(viii) Profits go to the government	(viii) Profits go to the shareholders
(ix) Decisions to wind up rests on parliament	(ix) Decision to wind up rest on individuals Shareholders court order

5 matching differences @ 2 mks = 10mks

This paper consists of 5 printed pages

Turn Over

2. (a) Problems associated with expenditure approach when used to compute National Income.
- It suffers from the problem of double counting.
 - No accurate records of expenditure are kept especially in the private sector.
 - Expenditure for the subsistence sector can only be mere approximations due to lack of records in this sector.

- Differentiating between final expenditure and intermediate expenditure may be difficult.
- Fluctuating exchange rates may pose challenges especially in valuation of exports and imports.

(5 x 2 = 10mks)

(b) Methods used by the Central bank of Kenya to control credit.

- Bank rates.
- Open market operations.
- Raising margin requirements for banks.
- Moral persuasion.
- Cash liquidity ratio.
- Selective credit control method.
- Directives/policies

Any 5 well explained @ 2 (5 x 2) 10mks

3. (a) Kamau
Trading and Profit and loss Account
For the year ended 31st December 2009

Dr	Sh		Cr
Opening stock	60,000 ✓	Sales	670,000✓
Add: Purchases	380,000✓	Less returns inwards	70,000✓
Add: Carriage on purchase	10,000✓	Net sales	<u>600,000✓</u>
Goods available for sale	<u>450,000✓</u>		
Less: Closing stock	40,000✓		
Cost of goods sold	<u>410,000✓</u>		
Gross profit c/d	<u>190,000✓</u>		
	600,000		600,000
Rent paid	18,000✓	Gross Profit b/d	190,000✓
Salaries and wages	33,000✓	Commission received	15,000✓
Postage	2,000✓	Discounts received	7,000✓
Repairs and maintenance	12,000✓		
Traveling	4,000✓		
Net profit c/d	<u>143,000✓</u>		
	<u>212,000</u>	Net profit b/d	<u>143,000✓</u>
			<u>212,000</u>

20 ticks @ ½10mks

(b) Ways one would adopt to improve the productivity of human resources.

- Regular review of their salaries and fringe benefits.
- Provision of further education and training to the workers.
- Provide workers with good working tools/equipment (computers) (introducing to advance technology).
- Provision of medical and insurance covers to the workers.
- Offering gifts and awards to the outstanding employees.
- Ensuring good relationship between workers and management through communication
- Provision of good recreation facilities and social amenities
- Ensuring fair promotion of workers
- Improving their working conditions

5 x 2 = 10mks

2.

4. (a) (i) $\text{Current ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$

Current assets

Stock	100,000	
Debtors	100,000	
Bank	100,000	
Cash	25,000	<u>325,000</u>

Current liabilities

Bank overdraft	285,000
Outstanding rent	40,000
	<u>325,000</u>

325,000 = 1:1

(2mks)

325, 000

(ii) Gross Profit Mark up

$$\text{Gross Profit} = \frac{25}{100} \times 1,000,000 = 250,000$$

Cost of sales = sales – Gross profit

$$1,000,000 - 250,000 = 750,000$$

$$\text{Mark up} = \frac{\text{Gross profit} \times 100}{\text{Cost of sales}} = \frac{250,000 \times 100}{750,000} = 33 \frac{1}{3} \%$$

Alternatively Margin to mark up

$$\frac{25}{100} = \frac{1}{4} = \frac{1}{4} - 1 = \frac{1}{3} = 33 \frac{1}{3} \%$$

2mks

(iii) Rate of stock turnover.

$$= \frac{\text{Cost of sales}}{\text{Average stock}}$$

$$\text{Average stock} = \frac{\text{opening stock} + \text{closing stock}}{2}$$

$$= \frac{100,000 + 50,000}{2} = \frac{150,000}{2} = 75,000$$

$$\text{Rate of stock turnover} = \frac{750,000}{75,000} = 10 \text{ times}$$

2mks

(iv) Rate of capital invested

$$= \frac{\text{Net profit} \times 100}{\text{Capital}}$$

$$\frac{150,000 \times 100}{2,350,000} = 6.38\%$$

2mks

3.

(b) Reasons developing countries are reluctant to implement free trade agreements.

- To avoid unfair competition from advanced countries with superior products.
- To prevent dumping of inferior products.
- To safeguard local employment.
- To avoid political blackmail.
- To reduce balance of payment deficits.
- To safeguard local industries from collapse.
- To safeguard against reduction government revenues.
- To avoid erosion of cultural values.
- To avoid imposed inflation.
- To prevent entry of harmful goods.

5 x 2 = 10mks

5. (a) Measures to solve unemployment problems in Kenya

- Adopting a relevant education system
- Adopting policies that encourage the use of labour intensive methods of production
- Encouraging employment creation in the private sector
- Diversification of economic activities
- Increasing government expenditure
- Rural development
- Encouraging direct foreign investment
- Encouraging the use of local resources
- Population control

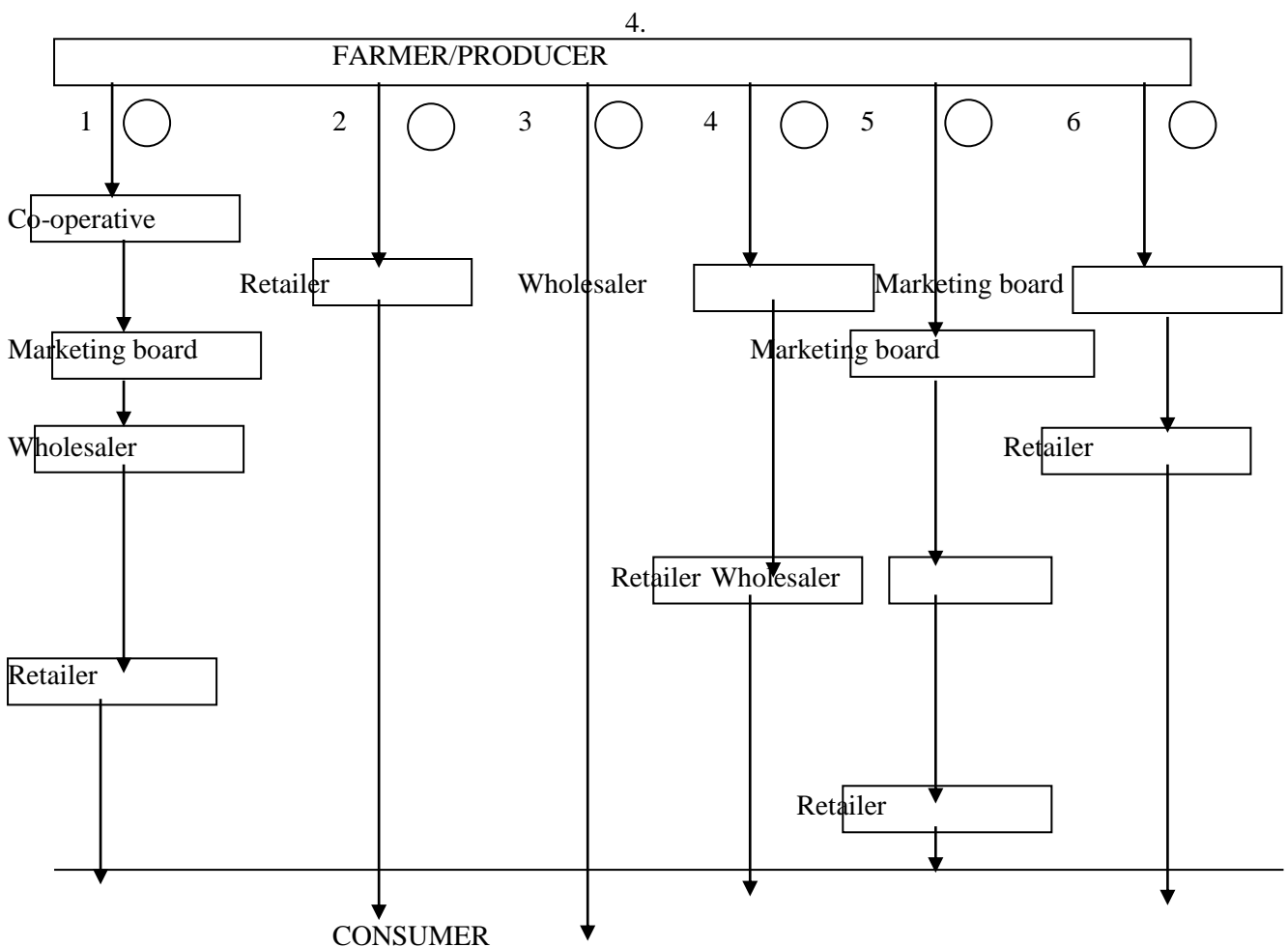
Any 5 well explained @ 2 10mks

(b) Channels of distribution for local agricultural produce

1. Farmer → Local co-operative society → Marketing board → Wholesalers → Retailer → Consumer →
2. Farmer → Retailer → Consumer →
3. Farmer → Wholesalers → Retailer → Consumer →
4. Farmer → Marketing board → Wholesaler → Retailer → Consumer →
5. Farmer → Marketing board → Retailer → Consumer →
6. Farmer → Consumer →

Any 5 @ 2 mks 6mks

Alternatively



6. (a) Functions of the stock exchange market

- It assists investors to buy shares by providing appropriate information to them
- It assists shareholders who want to dispose of shares by giving them relevant information
- It assists companies that need to raise money by floating shares to the public
- It compiles business information that would be used by interested parties to make decisions on the investments
- It vets the standards of performance of companies that intend to be quoted in the stock market
- It sets the prices of shares for the general public investor
- It lists/delists companies that are viable/not viable
- The stock exchange generates revenue for the government through taxation.

5 x 2 = 10mks

(b) Factors that may account for the presence of small firms in an economy

- Lack of enough capital
- Nature of good or service
- Limited size of market
- Government policy
- Need to be self-employed
- Need for personal freedom.

Any 5 well explained 5 x 2 = 10mks