

COMPREHENSIVE AND SIMPLIFIED CBC COMPLETE  
NOTES *JUNIOR SECONDARY (GRADE 7)*

# **BUSINESS NOTES FOR GRADE 7 JUNIOR SECONDARY**

COMPLETE TEACHING/LEARNING NOTES UPROVED BY KICD

*The PDF Comprises Part of the notes for the named  
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COMPLETE BUSINESS STUDIES  
NOTES  
FOR JUNIOR SECONDARY  
SCHOOLS (GRADE 7)

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### About the book:

*Education is a key for a country's development, but it becomes a hindrance when it is unequally distributed. This big problem of disparity in Education system can be solved through technology. Hence it's high time we embrace technology in Education sooner than later.*

*Teachers will therefore use the book in their laptops to teach and even give students notes to read online after revision.*

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end of each strand/topic.

**BELOW IS A SAMPLE OF THE NOTES  
FOR BUSINESS STUDIES GRADE 7**

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*JUNIOR SECONDARY (GRADE 7)***

# Contents

## 1. Business and Money Management Skills

Introduction to Business Studies.....	1
1. The Concept of Business Studies .....	1
2. Components of Business Studies .....	3
3. Importance of Business Studies .....	3
4. Career Opportunities Related to Business Studies in Kenya ...	4

### **Money .....**

1. Meaning of Money .....	7
2. Uses of Money .....	8
3. Security Features of the Kenyan Currency .....	10
4. Themes and Symbols on the Kenyan Currency .....	13

### **Personal Goals .....**

1. Meaning of a Goal .....	21
2. Importances of Setting Personal Goals .....	23
3. Factors to Consider when Setting Personal Goals for Self Development .....	23
4. Setting Personal Goals.....	24
5. Using ICT or Exercise Books in Setting Personal Goals.....	25

### **Talents and Abilities .....**

1. Difference between Talents and Abilities .....	27
2. Demonstrating Personal Talents and Abilities in School .....	30
3. Talents and Abilities in Relation to Career Opportunities ...	30
4. Ethical Issues in use of Talents and Abilities .....	31
5. Importance of Nurturing Talents and Abilities in Generating Income .....	32

## 2. Business and its Environment

Business Activities .....	33
1. Needs and Wants .....	33

**COMPREHENSIVE AND SIMPLIFIED CBC COMPLETE NOTES**  
***JUNIOR SECONDARY (GRADE 7)***

2. Scarcity, Choice, Scale of Preferences and Opportunity Cost..	34
3. Preparing a Scale of Preference .....	35
4. Need for Business Activities .....	37
5. Trading Activities .....	38
<b>Goods and Services .....</b>	<b>41</b>
1. Meaning and Importance of Goods and Services.....	41
2. Classification of Goods and Services.....	43
<b>Economic Resources .....</b>	<b>50</b>
1. Meaning and characteristics of Economic Resources.....	50
2. Types of Economic Resources in Kenya .....	50
3. Sustainable Uses of Economic Resources in Kenya .....	53
4. Resource Mapping .....	54
5. Importances of Economic Resources in Kenya.....	54
<b>Business Communication .....</b>	<b>56</b>
1. Meaning and Importance of Communication .....	56
2. Use of ICT Tools in Communication. ....	58
3. Role of Effective Communication in Business. ....	59
<b>Production of Goods and Services .....</b>	<b>60</b>
1. Meaning and Importance of Production .....	60
2. Factors of Production .....	61
3. Importance, Characteristics and Rewards of Factors of Production .....	64
4. Consumer Concerns to be Addressed by Production of Goods and Services .....	64
<b>Marketing of Goods and Services .....</b>	<b>66</b>
1. Meaning of Market .....	66
2. Meaning of Marketing .....	67
3. Meaning of Consumers .....	67
4. ICT Platforms Used in Marketing Goods and Services .....	70

<b>3. Government and Global Influence in Business .....</b>	<b>73</b>
<b>Government and Business .....</b>	<b>73</b>
1. Need for Government Involvement in Business. ....	73
2. Legal Requirements in Starting and Operating a Simple Business in Kenya .....	74
<b>Taxation in Kenya.....</b>	<b>82</b>
1. Meaning of Tax and Taxation .....	82
2. Importance of Paying Taxes in Kenya .....	83
3. Desire to Pay Taxes as a Kenyan Citizen .....	85
<b>Financial Records .....</b>	<b>87</b>
4. Business Transactions .....	87
<b>Business Transactions .....</b>	<b>87</b>
1. Meaning of Business Transactions .....	87
2. Methods Used in Making Payments for Goods and Services..	94
3. Role of Financial Documents in Record Keeping in a Business..	95

**COMPREHENSIVE AND SIMPLIFIED CBC COMPLETE NOTES**  
*JUNIOR SECONDARY (GRADE 7)*

## Business and Money Management Skills

### Introduction to Business Studies

Business studies, as an area of learning under the new curriculum design (CBC), is a departure from the traditional view as held by education authorities. By covering the basic commercial world in Grade Seven, the learner is equipped with values, knowledge and skills which enables him/her to comfortably interact with the environment around him/her. Business Studies at this level covers the following strands:

- (a) Business and money management skills
- (b) Business and its environment
- (c) Government and global influence in business
- (d) Financial records in business.

These are meant to equip the learner with competences such as critical thinking, problem solving and creativity, digital and financial literacy and communication and networking. These are considered necessary for the learner's personal life and business in general.

Each strand is divided into sub-strands. Each sub-strand has specific learning outcomes that specify what the learner is expected to be able to do by end of the sub-strand. The learner is expected to acquire the necessary values, attitudes, knowledge and skills through carrying out the activities given in each sub-strand and others that the teacher may deem necessary. He/she is also expected to do the exercises given at the end of each sub-strand.

### The Concept of Business Studies

There are many activities that we or people around us and all over the world carry out each day. Some of these activities are **Business activities** while others are not. A business activity is an activity that is carried out with a view to making **profit**. Profit is made when the activity brings in more money than the amount spent on producing or offering it. Business activities usually concern the provision of goods and services required by consumers.

#### Activity 1.1.1

In groups:

Discuss and classify each of the following activities as either business activity or non-business activity:

(a) Driving a personal car	(b) Operating a shop
(c) Ploughing using a tractor	(d) Reading a newspaper

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(e) Watching a TV set	(f) Driving a <i>matatu</i>
(g) Tailoring	(h) Hair dressing
(i) Bathing	(j) Shoe shining

Business activities may be carried out by either individuals or organisations. Some of the activities involve **production** and **distribution** of the goods. Others involve provision of **services**. Efficient production and provision of goods and services require the knowledge of Business Studies. The following illustrations show examples of business activities:



Fig. 1.1.1(a): A doctor treating a patient



Fig. 1.1.1(b): A ship carrying goods



Fig. 1.1.1(c): Someone ploughing using a tractor



Fig. 1.1.1(d): A supermarket

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***JUNIOR SECONDARY (GRADE 7)***

### Activity 1.1.2

In groups:

1. Classify each of the above activities as either production, distribution or service provision.
2. Discuss the terms:
  - (a) Goods.
  - (b) Services.
  - (c) Production.
  - (d) Distribution.
  - (e) Consumption.
3. Discuss and explain the term Business Studies as a subject.
4. Present your results in parts 1, 2 and 3 above to the rest of the class.

### Components of Business Studies

Most subjects (disciplines) are composed of several other subjects. For example, Mathematics is made up of Arithmetic, Algebra and Geometry. Biology, on the other hand, is composed of Botany and Zoology. Likewise, Geography is made up of Regional Geography, Physical Geography and Political Geography. Like most of the other subjects, Business Studies is composed of several subjects. It is, however, important to know that all the subjects that make up Business Studies deal with business activities.

### Activity 1.1.3

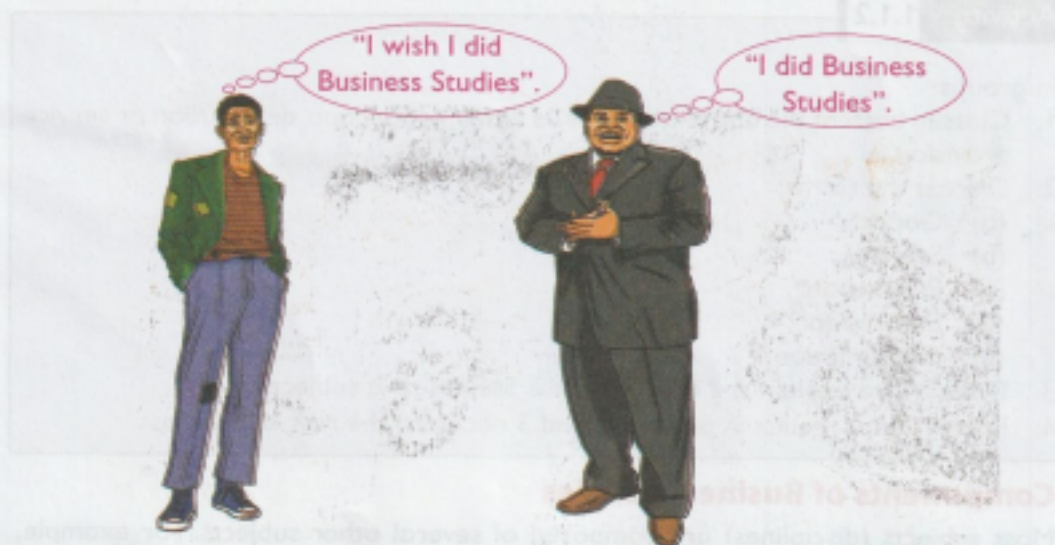
In small groups:

1. Discuss the various subjects that compose Business Studies.
2. Interact with relevant digital resources/textbooks and brainstorm on the components of Business Studies.
3. Present your findings in 1 and 2 above to the rest of the class.

### Importance of Business Studies

Business Studies is a living subject. It provides knowledge, skills and attitudes that are required in dealing with the day-to-day activities. Thus, one is able to comfortably interact with the environment around him/her. Studying of Business Studies, therefore, benefits both the learner and the society that he/she lives in, in many ways.

**COMPREHENSIVE AND SIMPLIFIED CBC COMPLETE NOTES**  
*JUNIOR SECONDARY (GRADE 7)*



**Fig. 1.1.2: Importance of Business Studies**

#### **Activity 1.1.4**

1. Debate on the importance of Business Studies to the learner and the society in general.
2. Find out from relevant resources such as textbooks, digital devices and other people the importance of Business Studies. Share your findings with the rest of your class.
3. Compare businesses in your locality, of people who have done Business Studies and those who have not. Share your findings with your classmates.

### **Career Opportunities Related to Business Studies in Kenya**

As was pointed out earlier, Business Studies prepares the learner to comfortably handle day-to-day activities. This is by equipping him/her with the appropriate knowledge, skills and attitudes. With these abilities, one is able to choose the most appropriate career from the many opportunities available in the country. From the chosen career, one is, hence, able to earn a living. A career is an occupation that a person undertakes, for a considerable period of time, which has chances of advancement.

## COMPREHENSIVE AND SIMPLIFIED CBC COMPLETE NOTES JUNIOR SECONDARY (GRADE 7)



*Fig. 1.1.3: Career opportunities related to Business Studies*

### Activity 1.1.5

In groups:

1. Research from digital devices/textbooks and discuss careers and earning opportunities associated with Business Studies. Share your findings with the rest of your class.
2. Prepare a speech on careers associated with Business Studies to present to the other students during a Careers Day.
3. Make a tour of your school's surroundings and identify the available career opportunities associated with Business Studies. Make a list of them to share with the rest of your classmates.

### Activity 1.1.6

1. Identify a career that is associated with Business Studies and role-play on it.
2. Watch/listen to a video clip on business careers. Take notes, which you would later share with your classmates.
3. Listen to a resource person sharing on the subject of business career opportunities. Take notes to discuss with the other members of your class.
4. Discuss with your parents/guardians on some of the best careers available in Kenya. Later, share your findings with the other members of your class.

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***JUNIOR SECONDARY (GRADE 7)***

## Appreciating the Importance of Business Studies in Day-to-day Life

### Activity 1.1.7

Work in pairs:

Paul is a Grade 7 learner. After learning the importance of studying Business Studies, this is what he had to say.

"With the knowledge and skills that I acquired in Business Studies, I helped my aunt to start and run a small business. I encouraged her to use her skills and abilities in knitting to make and sell girls' dresses. In addition, I help her to make a shopping list whenever she needs materials to use in knitting. This saves her time and money. I have also taught her to maintain records of all business transactions that she undertakes."

- What did Paul do that shows he appreciates the importance of Business Studies in day-to-day life?
- Discuss how else you can appreciate the importance of Business Studies in day-to-day life.
- As a class, compose a poem on the importance of Business Studies in everyday life.
- Recite the poem to either the school community during the school assembly and clubs and societies or to the community around the school during community's meeting, school's cultural week or Careers Day.

### Exercise 1.1

- Explain the term "business activities".
- Explain the term "Business Studies".
- State the components of Business Studies.
- Assume that you have been invited to give a speech on the importance of studying Business Studies. Briefly highlight the points you would include in your speech.
- Kanyambu attended a Careers Day where career opportunities associated with Business Studies in Kenya were discussed. Briefly highlight the points she might have learned from the discussion.
- Read the following story and answer the questions that follow:  
Omwoyo intends to become a businessperson. For this purpose, he wants to acquire knowledge, skills and attitudes that are necessary in becoming an entrepreneur.
  - Explain why Omwoyo should study Business Studies.
  - Analyse the components of Business Studies that Omwoyo should know to become a successful business person.
  - Explain to Omwoyo the relationship among the components of Business Studies.

# COMPREHENSIVE AND SIMPLIFIED CBC COMPLETE NOTES JUNIOR SECONDARY (GRADE 7)

## Money

### Meaning of Money

People require different types of items in order to satisfy their various needs and wants. However, as it is not possible to produce everything that one requires, exchange is necessary. To facilitate the exchange, a common means also called **medium of exchange** is required. In this case, the common medium of exchange is money. For example the Kenyan money, notes and coins are the common medium that make exchange possible.

#### Activity 1.2.1

Using the internet, dictionary or textbooks, research on the meaning of the term money. Share your findings with your classmates.

To facilitate the exchange, Kenyan currency is subdivided into various units called **denominations**. The following is an illustration of denominations of the Kenyan currency.



## COMPREHENSIVE AND SIMPLIFIED CBC COMPLETE NOTES JUNIOR SECONDARY (GRADE 7)



Fig. 1.2.1: Kenyan currency

### Uses of Money

Money is very useful in our day-to-day lives as it serves many purposes.



Fig. 1.2.2: Someone selling a cow

#### Activity 1.2.2

Explain why money is used in the above illustration.

Goods and services that we produce and either consume or sell are usually valued in terms of money. The valuation solves the problems of fixing the exchange value of the commodities involved. This happens because money provides a common denominator in which values of various commodities are expressed. For example, the value of a textbook may be Sh 300 while that of a bicycle is Sh 3000. In this case, the value of one bicycle is equivalent to the value of ten textbooks.

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***JUNIOR SECONDARY (GRADE 7)***

**Activity 1.2.3**

1. Interact with digital resources/textbooks on uses of money.
2. In small groups, discuss the uses of money.
3. Make a presentation of part 1 and 2 to the whole class.

**Activity 1.2.4**

1. Visit a local market place and interview traders on:
  - (a) The uses of money.
  - (b) Challenges that would be faced if money was not in use.
  - (c) Compile your findings and make a presentation to the whole class.
2. Carry out a debate on the uses of money in day-to-day life. The recorders to take points raised by their groups and make a presentation to the whole class.

**Case Study 1.2.1**

Wabera, a Grade Seven student, was happy that the new school term was about to start. Opening of the school meant that he would meet his friends who he was missing so much. Some of the friends were his classmates in Grade Six. In Grade Six, they used to hold discussions together, especially when they had assignments. The same continues even in Grade Seven. Each of the group members was doing very well in school. It is for this reason that they liked each other.

To prepare himself for the new term, Wabera went to remind his father of the opening of the school. This was important so that the father could be ready with school fees. In addition to school fees, Wabera wanted extra money for other purposes. For example, he needed money for fare and other personal expenses. His hair was also long and needed to be cut or trimmed to size.

Early in the morning of the new term, Wabera was called by his father. The father gave him the bank slip for school fees and cash as pocket money that he needed. Wabera was very appreciative.

**Activity 1.2.5**

Assuming that you are Wabera:

1. Make a list of goods and services that you would buy using the money.
2. Share your experience on how you used the money that you had sometimes back with members of your class.
3. Interview the other learners outside your class to find out how they spend their money in buying goods and services.

## COMPREHENSIVE AND SIMPLIFIED CBC COMPLETE NOTES *JUNIOR SECONDARY (GRADE 7)*

### Security Features of the Kenyan Currency

One of the aspects of money is that it is valuable and **scarce**. Scarcity means that money is not readily available for everybody who needs it. This scarcity, is what makes it valuable. If money were readily available, it would lose value. To maintain this value, the Central Bank of Kenya (CBK) ensures that there is neither too much nor too little money in circulation. The Central Bank of Kenya is a government institution that handles financial matters of the country. One such financial matters is supplying notes and coins that circulate in the country. CBK ensures that there isn't too much money by releasing notes and coins that are just enough.

However, the supply of money might increase if some people are tempted to print their own. This kind of money is called **counterfeit** or **fake money**. The government tries as much as possible to ensure that there is no fake money in circulation. To achieve this, it installs security features in the money that it releases. These security features help in differentiating genuine money from fake money.

The features discussed here are those that appear in the new **generation currency**. New generation currency refers to notes and coins issued by the CBK in the year 2018. This is the year when the new generation coins and notes were launched. Some of the features can be identified by looking at as well as felt by touching the money. The features that can be seen and be felt are **embossed**. To emboss is to mark a surface with a raised design or symbol using an embossing machine.



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