

SECTION I

Qn 1(a) When does a problem become an opportunity?

Answers:

- When there is a creative solution capable of generating something of value, the problem becomes an opportunity.
- During shortage of supply of a product from a given company.
- During high demand (unsatisfaction) which leads to the market got by the entrepreneur.
- When a customer has a problem and use it as an opportunity to offer the best he/she can.
- When its solution requires creating an enterprise.

(b) An enterprise is a process of creating - converting a challenge into an opportunity. Do you agree?

Justify your answer.

Answer:

Free marks, because the question and its answer are confusing.

Qn 2.

List any five types of information that could be obtained from potential customers.

Answers:

The following information could be obtained from potential customers:

- Price of the product or services
- Quality of the product/services
- Quantity of the product/service
- Tastes and preferences
- After sale services
- Packaging and design of the product
- Level of competition
- Buying habits/cultures
- Level of income of customers
- Age group and sex
- Timing and delivery patterns to the market

Ans Any 5 points

Qn 3

Give any five reasons to show that entrepreneurship facilitates the rate of development of a country.

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Answers:

Entrepreneurship facilitates the rate of development of a country by significantly contributing to the following factors:

- Job creation
- provision of goods & services
- Development of infrastructure
- Increase government revenue through taxes, contributions, charges etc
- It reduces monopoly
- It reduces overdependency on imports
- It leads to market expansion.
- It leads to favourable standards of living
- It leads to favourable balance of payment
- It increases income to the entrepreneur
- It increases the quality of products/services
- It encourages competition which improves the quality of the products & services
- It increases economic diversification
- It increases creativity and innovation.

5 marks

Optimum use of local resources

NB: Any 5 points 1mk.

Qn 4

Outline any five business law that an entrepreneur observes when conducting the business.

Answers:

- Company law
- Consumer protection law
- Environment laws
- Intellectual property and copyright law
- Tax laws
- foods and drugs law
- Weights and measures law
- Trade licencing law
- Public health law
- Land law

5 marks

NB 5 points 1 mark each

9/10
16
9/16

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Give any five things that a business person would really like to know about their competitors.

Answers:

- Quality of the product
- Pricing of the product
- Location of the competitors
- Marketing strategies of the competitors
- Technology used
- Management style
- Size of the company
- Type of labour used
- Distribution channels
- Customer satisfaction and services levels
- Customer retention levels
- Size and quality of customer data bases.
- Advertising effectiveness
- future Investment strategies
- Contractual terms with key suppliers
- Terms of strategic partnership

5mks

NB: 5 points, 1mk each

an 6.

List any five measures that can be taken to proper handling machines and their safety in an enterprise

Answer:

- Switch off your machine after use
- Cover your machine after use
- Repair your machine once its broken down or has a fault.
- Train workers on how to use machines.
- Follow instructions (pre-cautions) when using the machines
- Regular maintenance and servicing of the machines.
- Attach proper guards on the machines
- Painting and oiling machines to avoid rusting
- Carrying out proper storage of the machines
- Avoid using the machines for purposes they are not designed for.

5mks

5 points, 1 mark each

Qn 7. After your study, you are soon starting a small manufacturing business. Prepare any five general staff rules and regulations to be followed by your employees:

Answers:

- Any kind of discrimination is prohibited
- All workers should respect working time
- All workers should respect the confidentiality of the company.
- All workers should respect their duties and responsibilities
- All workers should ensure good working relationship
- All workers should protect the company assets.
- All workers should respect Company authorities.
- All employees activities should aim at achieving the business goals & objectives
- Employees should observe hygiene
- Discipline should be highly observed.

5 points, 1mk each

5mks

Qn 8 State any six steps to be taken to develop good human resource for an enterprise

Answers:

- Recruitment of competent personnel
- Training of personnel
- Motivation for performance
- Providing appropriate organisational climate / good working conditions
- Setting performance standards
- Feedback and appraisal
- Rewards for performance
- Formal and informal communication
- Negotiations and application of agreements on wages and working condition and procedures for settlement of disputes

any 6 points, 1 mark each

6 marks

Qn 9 Kankwanzi, an entrepreneur, started manufacturing a car "MOTOCHES", in the rural area of Nyarurembo where people had less productive employment opportunities. This motorcycle is available in the market for 1,000,000 Rwf which is quite reasonable as compared to its competitors. By doing this, she wants to generate or communicate some values, to the society. Identify any such five values.
Answers:

- Social recognition
- Provision of goods at reduced prices
- It leads to development of infrastructure
- provision of employment
- Increase of government revenue
- provision of market
- Reduction of rural-urban migration
- Reduction of brain drain
- Maximum use of local resources
- Increased personal income
- Development of people's resources talents
- provision of self-employment
- Raising standards of living
- Helps in development of rural area of Nyarurembo.

Any 5 points, 1 mark each.

Qn 10 Identify any five support services in entrepreneurship development cycle.

Answers:

- Banking or finance services
- Marketing
- Insurance
- Transport
- Communication
- Warehousing
- Utilities eg power, water, etc.
- Management consultancy

Any 5 points, 1 mark each.

Qn11 State any five major elements you would consider when developing a production plan.

Answers:

- Location of the business/site/premises
- Production process
- Choice of machinery required
- Plant capacity of the chosen machines
- Labour requirement
- Raw material standards
- Quantity of expected products to be produced
- Production control requirements
- Research and development plan
- Monitoring process of external technology
- Production standards or quality objectives
- Packaging materials
- Transport facilities
- Storage facilities
- Waste disposal system/management
- Purchasing plans, re-order plan level

Any 5 points, 1 mark each

SECTION II

Choose any 3 Qn = 30

Qn12 Explain briefly any five factors favouring growth of Entrepreneurship.

Answers:

- Availability of financial resources
- Cultural Advancement
- Government policies
- Political stability
- Availability of raw materials
- Availability of skilled manpower
- Availability of improved infrastructure
- Level savings
- Creativity and innovation
- Growth of education
- Need for achievement
- Availability of good market

Any 5 well explained points, 2 marks each

5m

9/10
16
9/16

20/10

Qn 13

As a marketing manager of a fast growing juice manufacturing firm, you have been assigned to a task of carrying out a market survey in western province for a period of one month. Design a questionnaire you are to use during your research.

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Answer:

- 1 - What is your sex?
- 2 - What is your monthly income?
- 3 - What is your nature of employment?
- 4 - How many members are in your family?
- 5 - Have you heard about our product called...?
- 6 - How did you come to know about this product?
- 7 - How often do you buy it?
- 8 - Where do you purchase it?
- 9 - How many bottles do you buy a week?
- 10 - How do you find the product?
- 11 - Is the price fair or not?
- 12 - Do you like the taste or colour of the product?
- 13 - How do you compare the product with other related juices?
- 14 - What do you like most about the product?
- 15 - What don't like about the product?
- 16 - Do you have any suggestion about the product?
- 17 - Would you like any improvement on our product?
- 18 - Would you like our business to come up with any new products?

Any 5 points, 2 marks each

10 Marks

Qn 14

You are a farmer and won a 20 million contract to supply chicken and eggs to SERENA HOTEL.

(a) Develop any six terms and conditions to be included in the contract with SERENA HOTEL.

Answers:

- The nature of goods/products being supplied
- Price at which chicken and eggs will be supplied
- The quality of chicken & eggs that will be supplied

6/24

4956

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- offer.
- The time at which the products will be delivered at serena hotel.
 - Actual place where the products will be delivered.
 - The mode of payment ie cash on delivery, cash with order, installment payments etc
 - the period a contract will take.

6mk

Any 6 points, 1 mark each

b) Thieves have broken into your farm and made off with more than half of your chicken. How would you sustain the contract?

Answers:

- I will sub-contract with another supplier
- I will negotiate the contract
- I will buy the chicken & eggs from another supplier
- I can claim for compensation from insurance if the business ^{has been} insured.

4mk

Any 2 points, 2 marks each

Qn 15

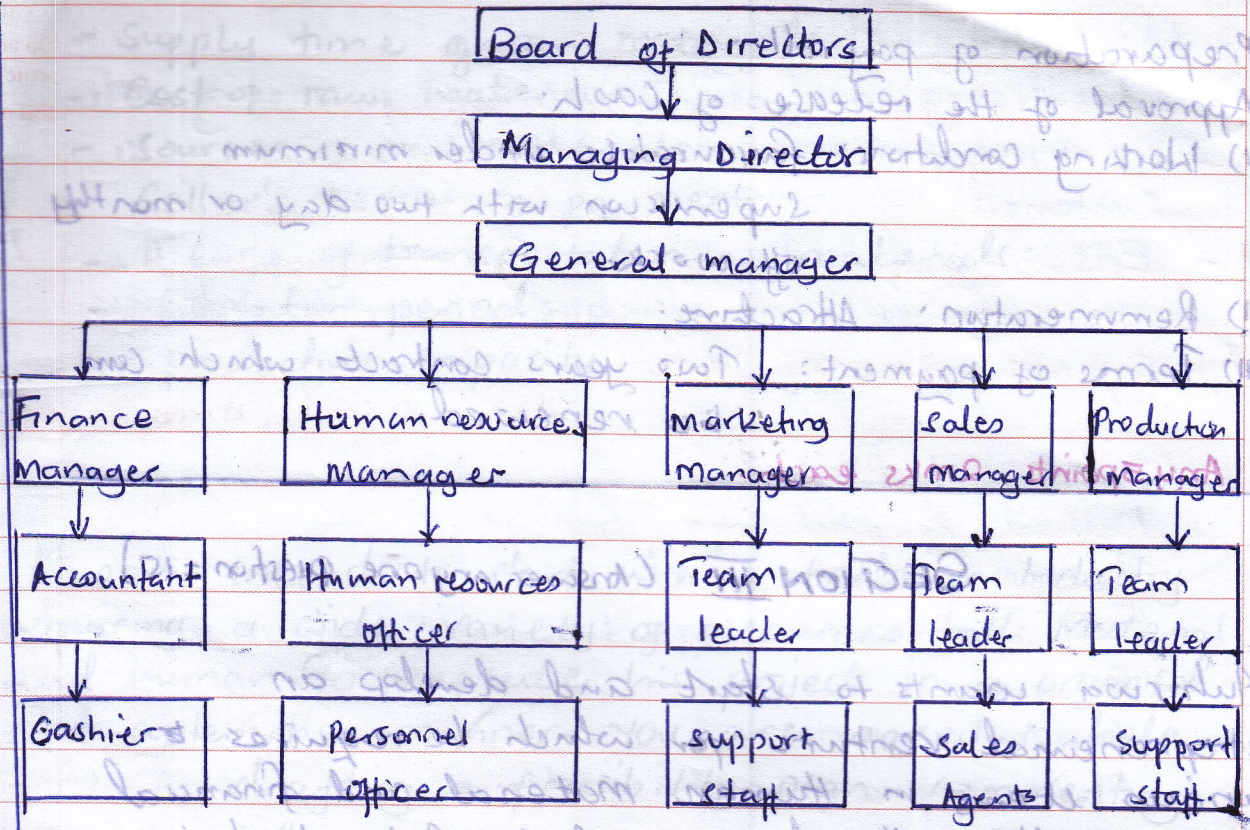
You have joined a manufacturing firm that lacks proper flow of duties, responsibilities and delegation procedures and you have been asked to restructure the system as an entrepreneurship student. Draw up a formalised organisational structure of the firm that will solve the above problem.

Answer:

- The nature of goods/products being produced
- Price of input chicken and eggs will be supplied
- The quality of chicken & eggs that will

9/10 16 9/16

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10 marks

Any relevant diagram 10 marks

Qn 16

A company accountant has left for United Kingdom to further his studies and you are hired to replace him as soon as possible. You are required to prepare a Job description for an accountant.

Answers:

- (i) Job title: Accountant
- (ii) Job Reference: KAA/ACC/1002
- (iii) Department: Finance and Accounting
- (iv) Duty Station: Headquarter (Kigali)
- (v) Duties and Responsibilities
 - Recording business transactions
 - Preparing of ledger accounts
 - Preparation of trial balance
 - Preparation of bank reconciliation
 - Preparation of financial statements
 - Collecting revenue from debtors
 - Making payments to creditors
 - Declaration of tax and other legal subscription
 - Preparation of financial reports
 - Keeping accounting documents
 - Advising management on how to use funds effectively

10 marks

- Preparation of payroll
- Approval of the release of cash.

(vi) Working conditions: favourable under minimum supervision with two day or monthly off work.

(vii) Remuneration: Attractive.

(viii) Terms of payment: Two years contract which can be renewed.

Any 5 points, 2mks each.

SECTION III (Answer any one question = 15)

Q17 Muhirwa wants to start and develop an entrepreneurial venture for which he requires various items in human, material and financial resources. State the decisions to be taken by him under human, financial and material resources.

Answers:

(i) Human Resources

- Age of employee
- Working experience
- Cost of employee in terms of salaries & wages
- Languages spoken by the employee
- Health status of employee
- Marital status
- Nationality

Any 5 points, 1mk each

(ii) Financial Resource

- Profit projection of the business
- Cash flow projection
- Break even scale of the business
- Cost of starting a business
- Sources of finance
- legal complication in getting finance.

Any 5 points, 1 mark each.

(iii) Material resources

- Quality of raw materials
- Availability of raw materials

- Supply time of raw materials.
- Cost of raw materials.
- Sources of raw materials.
- Seller's terms of payment.
- Means of transportation of materials.
- Gestation period.
- production capacity.

Any 5 points, 1 mark each

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5 marks

Qn 18 Musoni intends to start with a footwear industry requiring a wide variety of resources both material and human. To execute his project in a organised and systematic manner, you are asked to help him in drafting a feasibility plan, commenting upon the following areas:

(a) Executive Summary.

This is a brief information giving a comprehensive picture of the entire business plan, such as;

- Business name
- Objectives of the business
- proposed marketing strategies
- Expected results
- Action plan

Any 2 points, 2 marks each.

4mks

(b) Objective of the business.

- To solve the problem of footwear at 80% in 1 year
- To provide employment to the local people by 10%
- To earn net profit at 20% per year
- To acquire market share by 40% per year

Any 1 point, 3 marks.

3mks

(c) Marketing strategies

- Advertising and other means of promoting sales
- Making footwear available at the reach of the customers.
- Ensuring quality of the footwear.
- Ensuring its cost effectiveness and friendliness.

Any 2 points, 2 marks each.

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4mk
15mks

d) Operational plan.

- Methods of producing footwear.
- The quality concerns
- The optimisation of resources eg human, material financial etc.
- Cost effectiveness
- Plant capacity to be used.

Any 2 points, 2mks

18
4mk

Q19.

You have started a new mineral water bottling company, competing with other firms in the market.

(a) Give the mission statement of the company

Answer:

To provide our customers with safe drinking water at affordable reasonable prices.

any good mission, 2mks

2mk

(b) Develop an advert for promoting your product

Answer:

To provide employment to the local people and to earn net profit of 50% per year.

Any 1 point, 2mks

AKEZA MINERAL WATER

P.O Box 1111 KIGALI

TEL: 0781112233

Akeza mineral water bottling company wishes to inform its esteemed customers and the general public that its refreshing and favourite water is available in all outlets throughout the country. It is available in 500ml and 100ml bottles.

For orders and details, please contact:

The Sales manager

P.O Box 1111 Kigali

Tel: 0781112233.

4 MKS

Any relevant advert, 4 MKS.

c) Develop a programme for launching your product.

Answer

AK

AKEZA MINERAL WATER

PROGRAMME FOR LAUNCHING AKEZA MINERAL WATER AT KIREHE GROUNDS.

TIME	ACTIVITY	PERSON RESPONSIBLE
1:00pm	Arrival of invited guests	masters of ceremony
1:20pm	Prayer	one of the staff
1:40pm	welcoming guests and introduction of directors and other staff	Master of ceremony
2:00pm	Matching in the streets.	All invited guests
3:00pm	speeches by the marketing manager	Marketing manager
3:30pm	Giving samples and prizes	Sales force
4:00pm	official launching of the product by the chief guest	chief guest
4:30pm	Entertainment	City disc and band
5:00pm	Closure	Master of ceremony.

9 MKS

Any well designed launching program is 9 MKS.

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