

MARKING SCHEME OF OL ENTREPRENEURSHIP NATIONAL EXAMINATION 2020-2021

SECTION A: Answer all questions

1. Reasons why diversity was less important in business:
 - People learnt a trade and sold their products at a local market.
 - Today we often compete with the whole world.
 - Some of the clothes that you wear are probably made in other countries.
 - We sometimes talk with a person on another continent.
 - We are working with many different people from around the world.
 - Because of cultural rigidity.
 - Poor transformation also limited diversity.
 - Poor transformation limited diversity in the past. The major aim of product was subsistence rather than commercial.
 - In the past, many abundant resources was unexploited.
 - Poor political policies that couldn't attract investors.
 - Change in consumption trends.
 - Low education levels regarding entrepreneurship.
 - Limited business support like banks, insurance etc.
 - Low migration levels.
2. Advise your family on how they can reduce expenses.
 - Having a monthly budget.
 - You only buy things that you need and are in budget.
 - Buying durable goods rather than disposable goods.
 - Using public transport such as buses instead of driving in a car.
 - Repaying debts as soon as possible to avoid to pay a lot of interests.
 - Saving electricity by always switching off the lights when you leave the room.
 - Growing your own fruits and vegetables.
 - Raising chickens for meat and eggs.
 - Making use of inexpensive entertainment such as the library or public parks.
 - Repairing some materials instead of buying new ones.
 - Spending only on activities that you can't do yourself.
 - Controlling and managing your expenses by avoiding influences by peer pressure.
 - Buying quality products that can last for a long period of time.
 - Respect government rules in order to avoid unnecessary penalties.
 - Family planning
 - Proper management of available resources.
 - Avoid misunderstanding with family members and other people.
 - Building your own house rather than renting.
 - Separate business finance from your personal finance.

3. Justify, with any five reasons, why it is important for you to study entrepreneurship subject in ordinary level.
- To choose a career.
 - To develop in students the spirit of creativity and innovation.
 - To develop a positive attitude towards entrepreneurship and employment.
 - To prepare learners to manage money and personnel.
 - To develop the quality of recognising business opportunity.
 - Students are prepared to become good planners.
 - To become a teacher of entrepreneurship.
 - Learners will know to work hardly and collaborate with others.
 - Researching customer insights.
 - Understanding the needs of the market in term of services, products and price.
 - Prepare them to start the business.
 - Entrepreneurship education serves as an excellent foundation of creativity, innovation to succeed in 21st century.
 - Students through entrepreneurship subject are trained on finances, sales, marketing, management and accounting.
 - To be oriented and choose a career.
4. Describe any three types of markets with specific examples:
1. A domestic / local / internal / national market: this is a market working within the borders of a specific country. E.g. Nyabugogo market.
 2. A regional market is a market in a specific region (block). In a regional market, people from different countries in a region buy and sell from each other. E.g. Market in East African Community (EAC).
 3. International / External / Global market: it is a market in different countries of the world.
E.g. Dubai market.
5. Differentiate tax avoidance from tax evasion:
- Tax avoidance** is an illegal way where sometimes people can avoid paying taxes because they find ways to reduce the amount of taxes they must pay while **tax evasion** is illegal way of hiding your income so that you pay no tax or less than you owe.

Key points: Tax avoidance

- Weakness in the tax system registration
- Legal practice
- Modification
- Not punishable
- Shifting the taxable amount

Key points: Tax evasion

- Escape
- Minimize
- Illegal practice
- Fraudulent/dishonest
- Deliberate refusal

6. What is the main goal of Rwanda's vision? Summarise how it can be completed on time:

The main goal of Rwanda 2020 vision is to improve the life of all Rwandans.

Other goals:

- Environmental protection measures
- Economic stability
- Infrastructure development
- Education for all
- Poverty reduction
- Development of industries.

How to complete it on time:

- The government sets a budget for each financially year.
- Rehabilitation of hydroelectric power plants.
- Constructing roads and railways.
- Developing industrial parks.
- Ensuring access to clean water in Kigali and district with low water access rates.
- Mobilize and allocate resources.
- Regular report to cabinet on the status of achievement of the vision 2020 objectives.
- Ensure the establishment of monitoring and evaluation framework for vision.
- Support the planning organs and other institution in charge of implementation of the vision.
- Ensure that the vision based sector strategic plans and district development are prepared and linked to the modern term expenditures.
- Signing of performance contract.

7. Importance of having her business registered:

- Helps to get tenders and investors.
- Customers feel confident about buying from legal business.
- Many export businesses receive tax discounts from the government.
- Business enjoy efficient and a good record keeping for the purpose of tax declaration.
- Contributing to the national development.

- Business owner gets a tax certificate which is a proof of a legal business.
- The business protects its employers through paying national pension funds.
- Protection of the brand name and the trade mark.
- Helps to avoid unnecessary fines and penalties.
- Increase opportunities to get skilled workers.
- Act as a tool of a business continuity.
- It gives chance to participate in national tender market competition.

8. a) The possessions of Immaculate's business:

Tissues and five sewing machines:

Capital: 1,500,000 Rwf and loan: 4,500,000 Rwf

Capital = 6,000,000 Rwf

b) Immaculate's liabilities : 4,500,000 Rwf

c) Owner's equity is the money or assets contributed by the business owner.

d) Accounting equation:

Assets = Owner's equity + liability

= 1,500,000 Rwf + 4,500,000 Rwf = 6,000,000 Rwf

9.

Prime books	Transaction type
General journal / Proper journal	All transactions
Sales journal	Credit sales
Cash receipts journal	All cash receipt
Sales return journal	Returns of goods sold on credit
Purchases journal	Credit purchases
Cash payments journal	All cash payment / cash outflow
Purchase return journal	Returns of goods to the supplier.

10. With an example for each, explain any four types of resources:

1. **Human resources** are people who use their skills to produce goods, provide services of run business enterprise.
Example: a teacher, a doctor...
2. **Financial resources:** refers to the money available to an enterprise for its successful starting.
E.g.: personal savings, loans, sales of products and services, sales on product and services.
3. **Technological resources:** are the systems (machines and tools) required to effectively produce, create products.
E.g.: ATM machines, tractors, generators...

4. **Raw materials resources:** are the basic materials from which goods and products are made.
E.g.: wood, tin, gold, water, coffee...
 5. **Information resources:** are defined as the data and facts used by an entrepreneur to run an enterprise effectively.
E.g.: data on customers, supplier, financial institution.
 6. **Time:** is the important resource of an entrepreneur. It determines the quantity of production and the volume of human financial resources and other resources required.
11. With any three reasons, defend why customer procedures are important between Rwanda, Democratic Republic of Congo and Uganda:

Custom procedures:

- Trade compliance and facilitation through regulation that should be imported.
- To protect the right and interest of citizens and business.
- To ensure observance of revenue collection.
- Reducing dumping.
- Customs records are used in planning and budgeting.
- Customs procedures helps a businessman to be competitive on international market.
- It also measures a country's degree in the participation in international trade.

Version II

- Why customer procedures are important:
- To identify customer needs.
- Helps to expand the market share.
- To satisfy the needs of customers easily.
- Helps to outcompete competitions (other business).
- Helps the businessman to solve the complaints of customers.

Section B: Answer only 3 questions

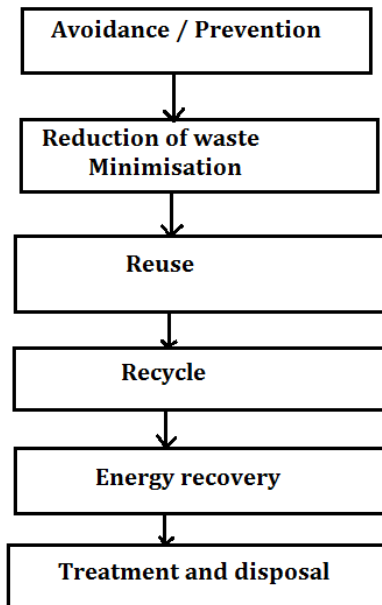
12. Explain the Waste Management Hierarchy:
Reduce, reuse and recycle (3R) are the three essential components of environmentally responsible behavior.

Reduce: is that you should limit the number of purchases that you make in first place.

Reuse: is that you should reuse items as much as possible before replacing them.

Recycle: is that you should ensure that items or their components are put to some new purpose as much as possible.

Version II: Waste management hierarchy



13. Specify any five documents that would be used in this business of Mugabo:

1. **Receipts:** is a proof that payment has been received when the buyer pays for goods, the seller issues the receipts. A bank also issues the receipts or deposit slip when you pay an amount into your bank.

2. **Voucher:** A voucher authorizes payments. The voucher is a proof that the transaction occurred.

3. **Deposit slip:** we use it when we want to deposit money into a bank account.

4. A **withdraw slip:** we use it when we want to take money out of a bank account.

5. **Invoice:** when you buy a product or service, you receive an invoice from the seller. An invoice lists description and quantity of the items sold or services provided.

6. **Cheque:** is a written instruction that orders a bank to pay a specific amount from the cheque holder's account to the person named on the cheque.

7. **Payment order:** is an instruction to transfer funds from one bank account to another.
8. **Debit note**
9. **Credit note**
10. **Good delivery note**
11. **Good received note**
12. **Purchase order**
13. **Letter of enquiry**
14. a) Giving two examples, explain what interpersonal skills are:
Interpersonal skills are life skills you use every day to communicate and interact with other people both individually and in groups.
Example: Verbal / oral skills.
Non-verbal communication
Listening skills
Writing skills ...
- b) Why interpersonal skills are needed by every person:
- To improve relationship amongst people.
 - To improve working environment.
 - To improve leadership skills.
 - To improve productivity.
 - To improve company's performance.
 - To improve all round success.
 - To be linked to others...
15. How sectors of production are important to the Rwandan economy:
- Provides employment opportunities to the people.
 - Source of food for human consumption.
 - Source of income for the state.
 - It is a source of medicine.
 - Leads to development of infrastructures.
 - Widens the tax base.
 - Offers markets for agricultural products.
 - Increases country's foreign exchange.
 - Improve labor productivity.
 - Facilitate trade.
16. Importance of a business plan:
- Provides a time table of activities to be done.
 - Helps to mobilize and coordinate measures.
 - Helps in constant monitoring of the business.

- Helps in defining goals and objectives.
- Helps to identify the sources of funding for the business.
- Encouraging the entrepreneur to focus on the planned activities.
- Helps in planning for future expanding the business.
- Helps in marketing strategies.
- Helps to specify resources necessary to achieve the set target.
- Helps entrepreneurs to know the strategies of motivating employees.
- Helps to decide whether the business continue operating or not.

17. Strategies taken by the government of Rwanda on the business activities that negatively affect the environment:

- Monitor the business operation to ensure that they comply with the environmental reputation.
- Banning the use of non-biodegradable plastic bags and packaging material.
- Developing of hydroelectric and solar energy.
- Improve energy efficiency in industrial processes.
- Setting industries in special economic zone.
- Educating people on how to protect the environment through mass media.
- Setting fines to the business and individuals intentionally affect negatively the environment.
- Putting labels and signs to warn people to conserve the environment.
- Engage in agro-business capitalizing on quality not quantity.