



Ministry of Education
and Sports

HOME-STUDY LEARNING

S E N I O R
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ENTREPRENEURSHIP

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This material has been developed as a home-study intervention for schools during the lockdown caused by the COVID-19 pandemic to support continuity of learning.

Therefore, this material is restricted from being reproduced for any commercial gains.

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FOREWORD

Following the outbreak of the COVID-19 pandemic, government of Uganda closed all schools and other educational institutions to minimize the spread of the coronavirus. This has affected more than 36,314 primary schools, 3129 secondary schools, 430,778 teachers and 12,777,390 learners.

The COVID-19 outbreak and subsequent closure of all has had drastically impacted on learning especially curriculum coverage, loss of interest in education and learner readiness in case schools open. This could result in massive rates of learner dropouts due to unwanted pregnancies and lack of school fees among others.

To mitigate the impact of the pandemic on the education system in Uganda, the Ministry of Education and Sports (MoES) constituted a Sector Response Taskforce (SRT) to strengthen the sector's preparedness and response measures. The SRT and National Curriculum Development Centre developed print home-study materials, radio and television scripts for some selected subjects for all learners from Pre-Primary to Advanced Level. The materials will enhance continued learning and learning for progression during this period of the lockdown, and will still be relevant when schools resume.

The materials focused on critical competences in all subjects in the curricula to enable the learners to achieve without the teachers' guidance. Therefore effort should be made for all learners to access and use these materials during the lockdown. Similarly, teachers are advised to get these materials in order to plan appropriately for further learning when schools resume, while parents/guardians need to ensure that their children access copies of these materials and use them appropriately. I recognise the effort of National Curriculum Development Centre in responding to this emergency through appropriate guidance and the timely development of these home study materials. I recommend them for use by all learners during the lockdown.



Alex Kakooza
Permanent Secretary
Ministry of Education and Sports

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The Centre appreciates the contribution from all those who guided the development of these materials to make sure they are of quality; Development partners - SESIL, Save the Children and UNICEF; all the Panel members of the various subjects; sister institutions - UNEB and DES for their valuable contributions.

NCDC takes the responsibility for any shortcomings that might be identified in this publication and welcomes suggestions for improvement. The comments and suggestions may be communicated to NCDC through P.O. Box 7002 Kampala or email admin@ncdc.go.ug or by visiting our website at <http://ncdc.go.ug/node/13>.



Grace K. Baguma
Director,
National Curriculum Development Centre

ABOUT THIS BOOKLET

Dear learner, you are welcome to this home-study package. This content focuses on critical competences in the syllabus.

The content is organised into lesson units. Each unit has lesson activities, summary notes and assessment activities. Some lessons have projects that you need to carry out at home during this period. You are free to use other reference materials to get more information for specific topics.

Seek guidance from people at home who are knowledgeable to clarify in case of a challenge. The knowledge you can acquire from this content can be supplemented with other learning options that may be offered on radio, television, newspaper learning programmes. More learning materials can also be accessed by visiting our website at www.ncdc.go.ug or ncdc-go-ug.digital/. You can access the website using an internet enabled computer or mobile phone.

We encourage you to present your work to your class teacher when schools resume so that your teacher is able to know what you learned during the time you have been away from school. This will form part of your assessment. Your teacher will also assess the assignments you will have done and do corrections where you might not have done it right.

The content has been developed with full awareness of the home learning environment without direct supervision of the teacher. The methods, examples and activities used in the materials have been carefully selected to facilitate continuity of learning.

You are therefore in charge of your own learning. You need to give yourself favourable time for learning. This material can as well be used beyond the home-study situation. Keep it for reference anytime.

Develop your learning timetable to cater for continuity of learning and other responsibilities given to you at home.

Enjoy learning

Term 1

LESSON ONE: CREATIVITY AND INNOVATION

LEARNING OUTCOME

By the end of this lesson, you should be able to practice creativity and innovation and learn and practice how to make new products or services that meet the needs of people.

Introduction

Whenever a nation, community or an individual is faced with a problem, they should come up with a solution to solve that problem with creativity and innovation. In Uganda today there is a problem of deforestation –the destroying of forests by cutting down trees. Below is a passage on how using mud stoves can solve this problem. .

Solving Uganda's Deforestation Crisis with Mud Stoves

People in Uganda are constantly cutting down trees to get firewood. The deforestation rate in the country is very high.

With only 10% of Uganda's rural population connected to the electrical power, there is little option but to burn wood. This has led to one of the worst deforestation rates in the world. The country's National Environment Management Authority says that every year, 2.6% of the country's forests are cut down for fuel, agriculture, and to make way for population growth. If things stay as they are now, Uganda will lose all its forest cover in less than 25 years.

To overcome this problem, a group of young men in Mukono district started making mud stoves. Mud stoves are home-produced energy-saving cooking devices which reduce the amount of fire wood needed to cook by a half. If these mud stoves are used in our villages' deforestation may be reduced drastically. The pictures below show cooking using a lot of fire wood as compared to the use of mud stoves which reduce the amount of fire wood needed to cook by a half.



Fig. 1.0: Old way of cooking



Fig. 1.1: Mud Stove

What is Creativity?

Creativity can be defined as the ability to produce something new through imaginative skills. It can also be defined as a new way of solving a problem. For example, the mud stove in Figure 1.1 above was built with creativity. We can use the style in our villages, and reduce the rampant cutting of trees in the country. This is because those who use the mud stove may not need a lot of firewood as compared to those who cook using the traditional three stone methods in Figure 1.0.

Creativity involves two steps: thinking and producing or taking action. If you have ideas but do not act on them, then you are not creative. You are imaginative. Creativity is the basis of all forms of production of both goods and services. For example, in music or dance, in order to compose a song, you think of the song first, write it down and then produce it. Or in fashions a tailor may think of a new fashion, draw the fashion or design on paper, and then produce the design.

Why do we Need Creativity?

As an entrepreneur, creativity can help you in many ways including the following:

1. Creativity is used to upgrade products and services which may help the entrepreneur to reduce costs and increase profits.
2. It leads to development of new and original products.
3. Creativity enables an entrepreneur to make proper use of limited or locally available resources.

How to Become Creative

Creativity is a skill that can easily be developed. You need to be imaginative, determined, hardworking, and love reading. The following are some of the ways to become creative:

- write the thoughts/ideas that come into your mind so that they are not easily forgotten. Then develop those ideas into tangible products or services.
- look at the redundant local resources available in your community and think of valuable items you can make out of them for sale.
- Identify a problem or a need either in your community, school or country and coming up with a solution.

Activity1: Do this activity in your books.

1. Think of three needs in your community and write them down.
2. Explain what you can do to provide for these needs using the knowledge you have got on creativity.
3. List down the locally available resources you can creatively use to solve an identified problem.

The material on creativity

Innovation in Business

Innovation in business can be defined as the process of making a product new or better. It is the process of doing service or action in a new way. Most times innovation actually means improving on a product that is already on the market. During this COVID 19 pandemic one of the guidelines given by the Ministry of Health to protect yourself against contracting the corona virus is to wash your hands with soap. This has led to the innovation of better and safer hand washing tools as shown below.



Fig. 1.2 Washing Hands at a Tap water



Fig. 1.3 New innovation for washing hands.

Before the corona virus outbreak, it was safe to wash hands using tap water in public places, but now it is no longer safe because you can contract the disease. With the new innovation for washing hands you do not have to touch the tap but use your foot to step on a pedal and water will flow.

Activity 2: Do this activity in your books.

Explain three different innovations that have taken place in your community, giving examples of old things that have been improved on to make them new and more useful.

Types of Innovation

There are many different forms of innovation within our communities and these include the following:

1. Agricultural innovation
2. Product innovation
3. Marketing innovation
4. Service innovation

Agricultural innovation is the improvements in the way farmers carry out their farming activities in order to increase their productivity at low costs. These include the following:

- Growing vegetables in plastic containers and sacks especially in towns and cities
- Using improved seeds like maize, beans, and coffee which give high yields
- Irrigation of crops using plastic bottles during dry seasons

The pictures below show innovation in farming using limited space.



Fig. 1.4 Growing of Vegetables in Sacks.



Fig.1.5 Roof Top Farming

Product innovation

This refers to the introduction of a new product or improvement of an already existing product to solve a problem in a new and exciting way to meet customers' needs. Customers are usually willing to pay more for a better product.

For example, the use of touch screens smart phones as compared to ordinary phones.

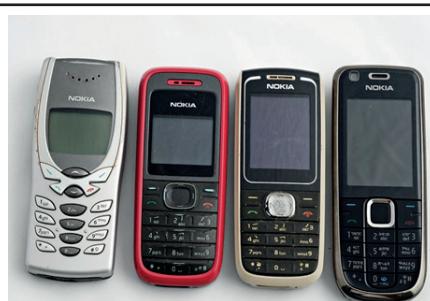


Fig.1.6 Old Model Mobile Phones

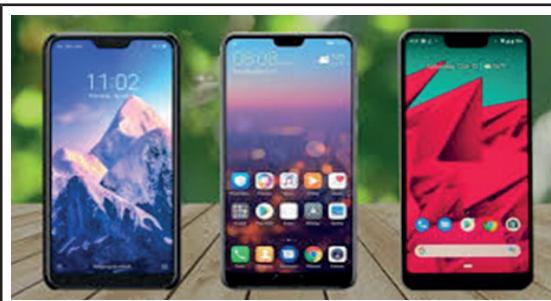


Fig.1.7 New touch Screen Smart phones

Marketing innovation

This involves the development of new marketing methods with improvement in product design or packaging, pricing and product promotion.

For example, the use of plastic bottles as compared to old glass bottles in packaging soft drinks.

Service Innovation

This means the way you serve your customers to create greater value for them and gain more profits for your business.

An example of service innovation being used during this COVID 19 lock down, where the classroom chalk board is no longer in use, is e-learning where learners can receive instructional materials using computers and mobile phones in their homes.



Fig.1.8 Learning using the traditional chalkboard.



Fig. 1.9 E-learning using the computer.

Importance of Innovation

Innovation in business has the following advantages:

1. It leads to production of new products which increases variety for customers to make choice.
2. Innovation increases output in an enterprise due to creation of new and more effective production methods.
3. Innovation results into improvement in the quality of products and services.
4. It also leads to market expansion as new products attract new customers as well as maintaining the old customers.
5. Innovation may reduce production costs and increase profitability.

How to Become Innovative

Every human being can become innovative; some of the ways for becoming innovative include the following:

- One way you may become innovative is by looking at the products and services on the market and think of how you can improve on them to make them more useful.
- By befriending people who can give you good advice towards being innovative.
- By trying doing something over and over time.
- An innovator should not fear taking risks.

Activity 3: Write and do this activity in your books.

- Identify two products or services on the market which you can improve through innovation.

In conclusion:

Creativity and innovation go hand in hand. These two have become critical skills for achieving success in business. They address ways of doing things in a different and better way.

As an entrepreneur you need these skills to be able to produce new and unique products for sale and always be ahead of others.

Note that most of the products and services on market today are a result of creativity and innovation.

LESSON TWO: RISKS IN BUSINESS

LEARNING OUTCOME

By the end of this lesson, you should be able to:

- i) Learn how to take risks in business.
- ii) state different types of risks.
- iii) describe ways of managing risks.

Introduction

Life is full of challenges because you are not sure of the end result of any action you take. In the same way doing business is full of challenges where the entrepreneur may not be sure of the success or failure of his or her business activities.

Meaning of Risks

A risk is a situation where one is required to make a choice between two or more alternatives, which may result into different rewards for success or loss or failure. A business risk is a future possibility that may prevent you from achieving a business goal, lower profits or may lead to complete business failure. Examples of risks in business include the following:

- Lack of raw materials to produce goods.
- Lack of market to sell your goods.
- Lack of skilled labour to produce quality goods.
- Accidents such as fire outbreak, motor accident, and theft which may cause losses to your business.
- Natural calamities like floods, draughts and diseases like COVID-19 which has caused the loss of peoples' lives and property.

The pictures below are examples of common risks in business:



Fig. 2.1 Property Destroyed by Fire



Fig. 2.2 Floods Destroying Cars and Buildings



Fig. 2.3 Locusts Destroying Crops



Fig. 2.4 An Accident

Types of Risks

Risks in business can either be low, moderate or high as explained below:

Low Risks	These are risks that do not give a lot of benefits to the entrepreneur and the chances of losing are low. Examples include starting a very common business in the area.
Moderate Risk	These are risks that can be foreseen, calculated and managed by the entrepreneur. They do not result into high losses, for example fire outbreak or accident.
High Risk	These are risks that have high chances of happening and the entrepreneur has little or no control over them. In case such risks happen the entrepreneur can incur very high losses. But businesses which have high risks tend to gain very high profits.

Risk Management in Business

Managing of risks refers to the activity that involves controlling of risks to ensure that they do not happen in the business. If they happen they do not cause very high losses.

Risks can therefore be minimised using the following methods:

Risk avoidance	These are measures that can help to prevent the risk from occurring. For example, a driver should not drink and drive.
Risk reduction	This is the taking of measures to minimise the likely loss or chances of the risk happening. For example putting in place fire extinguishers in case of any fire outbreak.
Risk transfer	This is when the burden of taking responsibility of a risk is shifted to another party. For example, taking an Insurance Policy against fire, accident, or theft with an insurance company which may help you to overcome a loss in case a risk occurs.

Activity:

In your exercise book, write a story about a business owner in your community who suffered a loss caused by unexpected risks.

Conclusion

As it was mentioned in the introduction, doing business is taking a risk. As an entrepreneur you should not fear taking risks, but rather assess, weigh and calculate the risks involved in the business you want to operate before you start.

LESSON THREE: TECHNOLOGY AND BUSINESS**LEARNING OUTCOME**

By the end of this lesson, you should be able to learn about the role of technology in business operations.

Introduction

The way people do business has been changing for the last ten years. Businesses now are transacted in many safe, convenient, and very fast ways. You no longer have to move many kilometres within or outside the country to buy commodities. It can be done using modern technological tools and software like telephones and computers. This is called e-business. For example, during the Covid-19 pandemic lockdown, people were not allowed to move from one place to another. This did not stop them from caring or even buying goods and services. Using technology like cell phones, computers etc., people were able to transact businesses, buy and sell goods, and services, and send help to their loved ones using mobile money on the mobile phones.

Meaning of E-business

This is the type of business carried out using modern technology. Examples of e- business include the following:

- Online banking where you are able to transfer money from one account to another on your mobile phone or computer.
- Mobile money transfers. This is the use your mobile phone to send money to another person or receive money from another person.
- e-tax is a modern process of paying taxes to Uganda Revenue Authority using your telephone or computer.
- E-learning. This is a modern teaching method which involves the use of electronic *technologies* to access educational curriculum outside a traditional classroom. These include radios, televisions, computers and mobile phones.
- e-marketing is the process of advertising, pricing and distribution of goods and services using computers and mobile phones.
- Online shopping. This is where you can order for goods using your mobile phone.

*Fig.3.0: Using an ATM Card**Fig.3.1: Uber BODA Transport Services*

Doing E-business

Entrepreneurs can use e-business/online business to receive orders from customers, effect payments for utilities (such as water, TV, electricity bills and buy airtime) and pay taxes. The above e- business services enable the entrepreneur work within a given time frame and effectively satisfy the needs of customers at a low cost and in a more efficient way.

Advantages of E-business to the Entrepreneur

E- Business brings a lot of benefits to an entrepreneur. Some of them include the following:

1. It enables the entrepreneur to save transport costs while transacting business.
2. It is safe and convenient since entrepreneurs do not have to move with large sums of money in their pockets or bags to transact business.
3. It's a very fast method of effecting payments irrespective of the geographical location of the receiver and sender.
4. The entrepreneur can easily advertise his/her products across the world using online marketing.
5. The entrepreneur can easily order for raw materials or buy goods from foreign countries without going there physically.
6. Technology can be used to improve teaching and learning and help our students be successful. Instead of the teacher being the only source of help in a classroom, students can do research on web sites, online teaching and more to assist them.

Talk about the disadvantages as well

Challenges of using E-business

Although e-business has a number of advantages to the entrepreneur, it also has some challenges. These include the following:

- Many people including entrepreneurs do not have mobile phones or computers to use for making online transactions.

- There is a problem of poor or non-existent network in some areas of the country such that e-business may not take place.
- Limited knowledge on how to use e-business services. If an entrepreneur does not know how to use e-business, it becomes a big challenge to him/her to transact business.
- High level of fraud by conmen, which leads to financial losses to the entrepreneur.
- Inadequate power supply especially in rural areas making the use of e- business difficult.

Activity:

- In your books explain how the use of technology has helped the development of business in your community.

Conclusion

Technology has improved the way people in Uganda and the whole world do business. It is a safe and fast way of doing business. The entrepreneur does business while sitting in his/her house and order or sale goods and services. Technology is the way to go in order to stay safe from this corona virus.

Term 2

LESSON FOUR: BUSINESSES IN UGANDA

LEARNING OUTCOME

By the end of this topic, you should be able to;

- i) identify different types of businesses in Uganda.
- ii) evaluate the importance of doing business.
- iii) determine the factors leading to success in business.
- iv) identify what causes failure in business.

Introduction

If you take a walk around your village, you will notice that people carryout different businesses like farming, carpentry, welding, shop keeping, and riding a Boda Boda etc. All these different businesses are needed in our communities so that we can get all the goods and services required for our daily living.

Activity: Do this activity in your exercise book

- List five different businesses carried out in your village.
- Give two most popular businesses in your community.

What is Business?

The term **business** refers to the organised efforts and activities of individuals to produce or buy and sell goods and services with an aim of making profits. A **business** can be an organisation or enterprising entity engaged in commercial, industrial, or professional activities. ...

The word business comes from the word busy, and means doing things. In your community, you may have seen people carrying on different businesses such as buying and selling agricultural produce, running a retail shop, operating a restaurant, school, salon and many others.

Types of Business

There are four main types of businesses. They include the following:

- Agribusinesses
- Manufacturing businesses
- Trading businesses
- Service businesses

These are explained below:

Agribusiness: **Agribusiness** is a combination of the words «agriculture» and «business» and refers to any business related to agricultural production. Agribusiness includes the production, processing, and sale of agricultural goods with an aim of making profits. Example of agribusiness

includes the following:

- Crop production: these are businesses engaged in the production and selling of crops like bananas, tomatoes, coffee, cotton, maize, millet, cassava and many others.
- Livestock production: these are businesses engaged in the production and selling of different animals like cattle, goats, pigs, rabbits among others.
- Poultry keeping: this type of agribusiness concentrates on rearing and selling different types of birds such as chicken, turkeys and ducks for their meat and eggs.



Fig. 4.0: Growing Tomatoes



Fig. 4.1: Poultry Farming

Manufacturing Businesses: These businesses transform or process raw materials into semi-finished or finished products. They do this by changing the form of the raw materials into finished products by adding value to them. Manufacturing businesses provide a wide range of job opportunities depending on what they produce. The examples of manufacturing businesses include the following:

- Metal fabrication businesses like makers of metal doors, windows, furniture, bicycles etc.
- Carpentry and joinery; involve in making of furniture for sale and construction work.

Activity 1: In your books

- i) List three different types of service businesses found in your community.
- ii) Give two other service businesses which are needed but not provided in your village.



Fig. 4.2: Carpentry Workshop



Fig. 4.3: Processing fruits into juice

- Agro-processing businesses; these businesses transform agricultural raw materials into different final agricultural products like cooking oil, juices, maize flour and others.
- Extractive manufacturing businesses; these businesses extract materials like clay, grass, papyrus, stones, etc., and transform them into different semi-finished and finished products like baskets, bricks or tiles.

Trading Businesses

Trade is the activity that involves the buying and selling of goods and services or the exchange of goods or services between people. **Trade** may take place within a nation, between producers and consumers or it can be across nations.

Trading business is carried out by either **wholesalers** or **retailers**.

Wholesalers buy goods in very large quantities from producers and sell them in small quantities to retailers or big consumers like schools and other institutions.

Retailers on the other hand buy goods in small quantities from wholesalers and sell them in smaller quantities to final consumers. Examples of retail businesses are roadside traders, groceries, shops and restaurants.

Service Businesses When people fall sick they go for treatment in hospitals or clinics. On the other hand, when you want to cut your hair you go to a salon. At hospitals doctors offer medical services at a price, in the same way salon owners dress peoples' hair at a cost. Service Business is the provision of services to customers who pay for them. Examples of service businesses include teaching, singing, hair dressing and many others. Service businesses provide a variety of job opportunities; some of these businesses include the following:

- i) Education services such as establishing nursery schools, primary schools, secondary schools, vocational training institutions, colleges and universities.
- ii) Transport services which include *boda-boda* businesses, taxis, bus services and commercial goods transporters, etc.

- iii) Entertainment services like music or disco, drama and comedy.
- iv) Beauty services like salons, wedding decorations, skin treatment etc.
- v) Medical services include clinics, drug shops, hospital etc.



Fig. 4.4: Saloon Services



Fig. 4.5: COVID-19 Medical Workers

Importance of doing business

Have you ever thought of how businesses benefit people? Whenever you buy something from a business, the business owner gets money and you get satisfaction by using the product or service you have bought. Business also benefits the community and the country as a whole. The following are some of the **benefits** of doing business:

- Business owners are self-employed so they are job creators and not job seekers.
- Business is a source of income to their owners.
- They provide jobs to people.
- They bring goods and services nearer to the people.
- Owners of businesses pay taxes to the government.
- It leads to development in the community.

Activity: 2

In your exercise books, explain five ways in which businesses have benefited your community.

LESSON FIVE: SUCCESS IN BUSINESS

LEARNING OUTCOME

By the end of this lesson, you should be able to:

- i) differentiate between successful and unsuccessful businesses.
- ii) evaluate the causes of success in business.
- iii) discuss ways of reviving a failing business

Introduction

All of us would like to be successful in life. You also want to be successful in your studies. An entrepreneur also plans to have success in his/her business, but things may not work out the way you plan. The success you wanted may turn out to be a failure.

What is Success?

When a child is born it is expected to grow from one level to another. In the same way when a business is started it should grow from one level to another. The growth of a business is known as success. One becomes successful each time he/she takes a step towards achieving a predetermined goal, objective or target. For example, a business can be said to be successful if it is expanding its market share and increasing its profits.

Factors Leading to Success in Business

There are several factors that lead to the success of a business. These factors include the following:

1. Proper location of the business. Appropriate location helps a business in securing the required inputs e.g. materials, labour, power, etc, and access markets at low costs.
2. Presence of business support services. Businesses thrive and succeed in an environment where there are business support services such as financial services, business information, transport, communication, water and power.
3. Availability of market. Production of goods and services is meaningless unless there are customers who will buy them at prices that will yield profits to the enterprises.
4. Rate or speed of expansion. A successful business should expand slowly and steadily, but businesses that over expand may end up failing.

Business Failure

No one would like to fail, but it may be inevitable or unavoidable. You may start a business expecting to succeed but you end up failing. Business failure occurs when the entrepreneur fails to realise his or her goals in business. Signs of a failing business are: empty shop shelves, low sales, low profits, and many debts.

Factors that Lead to Business Failure

You may have noticed that many businesses are started with a lot of vigour from the business owners, but within a short period of existence they end up collapsing. The following are some of the common management mistakes that cause most businesses to fail:

1. Mistaking cash for profit: Owners of some businesses at times tend to mistake the cash received from the sale of goods or services to be profit. Under this mistaken belief, they take and use it for purposes that may not be related to the business. As they do this for a long time, the business funds get depleted and the business fails.
2. Lack of record keeping: Without records, it is difficult for an entrepreneur to tell if a business is in trouble or not. In such circumstances, he/she will know it when it is too late.
3. Poor customer care: Businesses fail as a result of poor customer care by their owners or employees. If customers are not handled well, they will go to other businesses where they are treated better.
4. Theft of business funds, stock, assets: The business may suffer from loss of its assets (cash, stocks, etc.) through theft either by employees or thieves from outside.
5. Interference of the family members in the running of the business: This is where family members withdraw business funds for personal use, taking credit which they do not pay, chasing away business workers, etc.
6. Death of the business owner: If the owner dies and there is no one to take over the business it will fail.

How to Revive a Failing Business

- i) It is advisable not to give up on a failing business. You should sit down and think of things that have caused your business to fail and sort them out. The following are some of the measures that can be undertaken to revive a collapsing business: Ensuring good customer care to the existing and prospective customers.
- ii) Producing or selling quality products.
- iii) Expanding the market size locally and internationally.
- iv) Ensuring proper record keeping for all financial transactions done by the business.
- v) Ensuring that the business complies with the business laws e.g. paying taxes, registering the business, environmental conservation etc.
- vi) Being creative and innovative in business by coming up with new products and new ways of doing things.
- vii) Using modern technology.

Activity:

1. In your exercise books, write a story about a successful business you know and the things that have made that business a success.
OR
2. Write about a business that has failed and reasons why you think that business failed.

LESSON SIX: BUSINESS IDEAS AND BUSINESS OPPORTUNITIES

LEARNING OUTCOME

By the end of this lesson you should be able to generate:

- i) generate business ideas.
- ii) select a business opportunity from the environment.

Introduction

Many big and large businesses started as small business ideas which an entrepreneur had in mind. After getting many ideas the entrepreneur selects the best business opportunity basing on the available resources, and carries out a market survey to assess the success of the business.

Business Ideas

A business idea is any thought that an entrepreneur may come up with for the purposes of developing it into a business to solve an identified problem in the community. Identifying a good business idea is the first step in transforming the entrepreneur's desire and creativity into a business opportunity. It is also the first step in the business start-up process.

Importance of Generating Business Ideas

The reasons why entrepreneurs need to generate business ideas include the following:

- A business idea is the first step for starting a business that can be successful and continue existing.
- It helps the entrepreneur to respond to market needs by setting up a business that provides the right goods and services needed by the customers.
- It helps an entrepreneur to respond to natural threats and scarcities by developing innovative solutions like irrigation to overcome water scarcity, use of solar power instead of hydro-electricity.
- It enables the entrepreneur to exploit appropriate technology to convert a new idea into new products that provide better customer satisfaction.
- New ideas may help the entrepreneur to increase the profitability of the business by getting new products that sell at higher prices on the market.

Sources of Business Ideas

There are many sources from where an entrepreneur can generate business ideas. The following are some of the sources:

- **Personal interests and hobbies:** A hobby is an activity that you enjoy doing during your leisure-time such as photography, sports, music, cooking and others. These can be converted into full time income generating businesses.
- **The mass media;** including television, Internet and radio are a great source of ideas, information, and opportunities. One way to become a successful entrepreneur is taking a careful look at the advertisements and commercials in these media.
- **Newspapers.** By reading a magazine or newspaper, you can easily come across a business for sale that interests you. These media can also report on the pressing customer needs that you

can jump on and start a business.

- **Vocational training and experience**

Business ideas can also be developed from an area of training where the entrepreneur has acquired technical skills and experience. For example, a doctor starts a clinic; an employee in a carpentry workshop may start his own carpentry workshop etc.

- **Trade shows and exhibitions**

Attending or visiting trade shows and exhibitions allows an individual to meet manufacturers and distributors where you can get useful information that can become business ideas.

- **Discussions or interviews** with other entrepreneurs to seek their views, suggestions, and get comments on some situations.

- **Observations:** This involves looking around the community to see the goods and services available, those missing, those present but need improvement to satisfy customers' needs better and the gaps that may be there.

- **Creativity and innovation**

This is the use of creative minds and innovative skills; entrepreneurs may think of new businesses that could be introduced into the market.



Fig. 5.0: Newspapers, a Source of Business Ideas



Fig. 5.1: Sports as a Business Idea

How to Generate Business ideas from the Environment

Business ideas can be generated/identified from the environment through the following ways:

1. Reading newspapers to identify good business ideas.
2. Turning your hobby into income generating ideas.
3. Attending or visiting trade shows and exhibitions to see what other businesses offer so as to get a business idea.
4. Taking note of the obvious problems that you encounter in your day to day life.
5. Travelling to new areas can help individual gather information about the different business ideas.
6. Listening to customers' complaints and getting their opinions to know what they need.
7. Asking and listening to successful entrepreneurs to help develop business ideas.

Activity:

Generate five business ideas based on the problems of the people in your community and record them in the table below.

Problem	Business Idea

How to Select a Good Business Idea

Entrepreneurs always begin with any business ideas on any given situation and thoroughly check and rank them to pick the one that they can turn into business opportunities. The following are the common indicators used in selecting good business opportunities:

Skills required: You should choose a business idea that fits within your skills and experiences.

Passion or interest: You should choose a business idea that enables you to do what you love or like than what you do not love.

Availability of market: You should select a business idea that has a large number of people who are willing to buy the product so that it can lead to a profitable business.

Availability of inputs: You need to select a business idea for which you are able to get factor inputs required for its operations. Such requirements include capital, land, labour, raw materials, and energy, transport and communications facilities.

Technological requirements: You should choose a business idea that is easy to implement using the available and appropriate technology.

Legal requirements/ government regulations: You should select a business idea that fits within the government policies that affects the business for example, pork joint though meeting all other tests may not be established in a Muslim community.

Activity:

1. In your note books list four possible business ideas of your choice.
2. Select one business idea which you can turn into a business.
3. Give reasons for your selection.

Business Opportunities

A business opportunity is a selected business idea that can be turned into a real and profitable business. An opportunity is the evidence that the entrepreneur's idea can be turned into reality. Business opportunities start as ideas, which are generated by entrepreneurs. Entrepreneurs always look at any situation with the question "Where is the opportunity in this?" Then after this, the entrepreneur starts thinking, dreaming and generating ideas about possible businesses that can be made out of the given situation.

The business idea you selected in previous activity is now your business opportunity.

Characteristics of a Good Business Opportunity

Note that a good idea is not necessarily a good business opportunity. So many people have started new products and new businesses but statistics show that very few businesses ever celebrate their 1st anniversary. Just like you cannot have everything you want, not all spotted business opportunities can be turned into businesses. A good business opportunity must have the following characteristics:

- Availability of market – This involves real demand/market for the product that is the customers who have the ability and willingness to buy the product.
- Low start-up capital – it should have low capital or costs needed to produce the required goods and services.
- Availability of resources – a good business opportunity is one that utilises the resources that are available such as the raw materials and other inputs.
- Availability of required skills: the entrepreneur should have the right business skills, technical skills and knowledge about the business.
- Acceptability in the market – a good business opportunity should fit the demands, culture and norms of the community by providing the right products.
- Ability to encourage creativity and innovations – a good business opportunity should provide possibility for more new ideas and more new goods and services.

Conclusion

In this topic we have covered business ideas and business opportunities. During this Covid19 lock down you can use this knowledge to generate many business ideas, select those which you think can be turned into good business ideas.

Term 3

LESSON SEVEN: BUSINESS START- UP PROCESS

LEARNING OUTCOME

By the end of this lesson you should be able to follow the steps involved in starting a business:

- i) How to save money
- ii) How to invest in a profitable venture
- iii) How to find a suitable location for the business

Introduction

After conducting a market survey for the selected business opportunity the entrepreneur is ready to start the business. The process of starting a business requires the entrepreneur to put together the necessary resources needed for the business such as the raw materials, building, labour, machinery and the required amount of money.

Activity:

In your exercise book list the basic requirements you need to start the business opportunity you selected in the previous chapter.

STEPS IN STARTING A BUSINESS

Starting a business is a process. It requires you to follow all the necessary steps listed below:

Identifying potential business opportunities: this is where you generate as many business ideas as possible from the environment.

Selecting a suitable business opportunity: from the business ideas identified, select a suitable business opportunity feasible in the market area of operation.

Carrying out market survey for the selected business opportunity: this requires to check whether the business opportunity selected can be developed into a profitable business that will fulfil the market needs.

Preparing a business plan: this shows a written summary of the selected business. It enables you to know how the business will be organised and be able to establish the amount of money needed to start and run the business before starting it.

Mobilising the necessary resources: this involves looking for the money you need, it may be from your own savings or getting a loan, looking for workers, raw materials, machinery and other inputs that you will use to produce goods or services.

Selecting the location of the business: in choosing location of the business, you should consider the factors that affect location. It also involves acquiring land, buildings, equipment and labour necessary for production process.

Preparing a marketing plan: this shows you how you will advertise, distribute and sale the business products.

Launching the enterprise: this is the official opening of the business.

Managing the business operations: this involves carrying out all the management functions and monitoring all business operations.

Sources of Business Finance

When starting a business, you need capital, that is, the money to be used. You can get this money from any of the following sources:

1. Personal Savings
2. Donations
3. Inheritance
4. Borrowing
5. Business profits
6. Sale of Personal Property

Savings and Investment

Saving: Saving is reserving part of one's income for future use. Saving requires you to reduce on your current consumption to reserve a balance that can be saved for future use. Saved income can in future be used for consumption or investment.

Ways of Savings

There are different ways of saving, they include the following:

Bank deposits: this involves opening up an account with banks where you can deposit your money.

Buying assets: you can save your money through buying assets like land, houses and animals.

Investing in business: this takes the form of starting a business so as to earn profits.

Forced saving: this is where you are forced to save by law like the National Social Security fund (NSSF) which deducts employees' salaries and it is given to them in their old age or at death. You can also get a loan for investment and pay for it later.

Characteristics of People Who Prefer to Save

1. If you want to save you should be very careful when spending money.
2. You should lead a simple life. Do not engage in spending your income on luxury goods and services.

3. You should have high motivation to save and invest, therefore give priority to saving most of your earned income.
4. Always look for and take up every opportunity that is available to save.

Investment

One of the reasons why people save money is for investment.

You may invest your savings by starting your own business, buying assets (e.g. land and houses) or depositing money in banks to earn interest.

Characteristics of People Who Prefer to Invest

It is possible to save money but fail to invest it in a profitable business.

The following are some of the characteristics that describe the behaviour of people who save and invest.

1. Always be on the lookout for investment opportunities that may be available in your community or elsewhere.
2. You should give priority to investment and save much of your income for investment.
3. People who invest tend to live a simple life. They spend most of their income on capital goods and services that will lead to further investment.
4. If you want to invest you should be willing to work hard and for long hours.

Importance of Saving and Investment

It is important that you invest the money that you earn and save because there are many benefits when you save and invest and these include the following:

1. It promotes self- employment: Once you invest your income or savings you will create employment opportunities for yourself. This will enable you to become self-reliant.
2. It encourages employment of others: If investments being made are to use a lot of labour, then a number of people will be employed.
3. It is a precaution for the future needs: People save income to provide for unforeseen problems that may arise in the future and will require them to suddenly spend money.
4. Exploitation of idle resources: Investing in business enables you to use resources that may be idle and convert them into goods and services to meet people's needs.

Location of a Business

This refers to the setting up of a business in a particular area. Location of a business is one of the factors that affect business success. Therefore, the entrepreneur should choose an appropriate site for the business.

Factors Affecting Location of a Business

The following are some of the factors that influence business location:

Market: Businesses should be located nearer to the market or customers to enable them easily access the business product. Furthermore, if the products are perishable and there are no means of preserving them, it is better for a business to be located near the market.

Source of Raw Materials: A business should be located as nearer to the source of raw materials as possible especially when the raw materials are bulky and perishable. This reduces the cost of transport and the risk of perishable raw materials getting spoilt.

Accessibility to transport and communication network: A business should be located along all-weather roads to facilitate easy movement of its raw materials, products and customers all the time. Furthermore, the location should have communication services like telephone, faxes, e-mail, Internet services, etc. to facilitate quick transfer of business information from the business to the customers, suppliers, bankers, etc.

Presence of land/buildings for business operations: The land / buildings required for the business operation should be available; these can be rented, purchased or leased for the business operations. However, if the site is for purchasing, it should be large enough to allow expansion of the business if desired at a later stage.

Presence of labour: A business may also be located in an area where there is skilled and unskilled labour at a low cost of hiring.

Presence of adequate power supply: Power is very important in deciding where to locate business. For example, a manufacturing business that uses a lot of power for its operations should be located near the power source.

Presence of water sources: Water plays an important role as a component and raw material in the production of some goods like soft drinks, beer, textiles, dairy farms and brick making. Such businesses should therefore be located near permanent sources of water.

Security: Many people prefer to locate their businesses in areas that enjoy a high degree of security.

Presence of business support services: Business support services like banks (for financial support) and insurance companies (to protect the business against risks) can also influence an entrepreneur when choosing his/her business site.

LESSON EIGHT: GOVERNMENT REVENUE

LEARNING OUTCOME

By the end of the lesson, you will describe the major sources of government revenue.

Introduction

The government needs money to provide social and economic services for the well-being of its people. Taxation as the major source of government revenue is covered in detail in this topic. When people pay taxes the government is able to fulfil its obligations.

Meaning of Government Revenue

This is the total amount of money received by a government, and local authorities from different sources in order to finance different sectors.

Uses of Government Revenue

The government uses the money it receives in the following ways:

Providing and improving social services such as health, education, security, transport and communication. This helps to improve peoples' welfare.

Photograph NO. 1 show a poor state of health services which may be caused by government having less revenue. However, when people pay more taxes government can be able to provide better health facilities and services like in Photograph No.2.



NO.1



NO.2



Photograph No. 3 show a poor state of the road while no. 4 show a modern all weather road which was constructed using government revenue.

Activity

As a good citizen, what lesson do you learn from the photographs 1 to 4 above?

Promoting infrastructural development: the government uses the revenue collected to build industries, dams, schools, hospitals, roads, markets, piped water, among others.

Help in overcoming the effects of disasters. This is through extending humanitarian services to people that are affected by socio-political instabilities and natural calamities. For example, landslides, floods, conflicts, drought, epidemics which require government intervention.

Setting up development schemes to help the youth and needy people; these include financing SACCOs, school fees loan schemes, senior citizen benefit schemes and others.

Promoting Modernisation of agriculture in the country through subsidised inputs, establishing demonstration farms, agricultural exhibitions, and agricultural research centres such as NARO among others.

Facilitating the repayment of government debts Government revenue is used to pay back borrowed funds from both internal and external sources.

Sources of Government Revenue

Government collects money from both tax and non- tax sources.

1 Tax Sources

A tax is a compulsory monetary payment charged by the government on individuals or companies to help it finance its expenditure. It is not charged in return for any specific service rendered by the government to the tax payer. Taxes are the most important source of government revenue. Some of the taxes levied include; Income tax, Value Added Tax (VAT), Customs duty and Excise duty.

OTT – (Over the top) tax is another example of tax. In July 2018, the Uganda government introduced the “over-the-top” (OTT) tax, commonly known as the social media tax, for using the internet or online services such as WhatsApp, Facebook and Twitter etc.

Non-Tax Sources: Non-Tax revenue is the income earned by the government from sources other than taxes. These include:

1. Fees paid to government for services offered to people for example court fees, registration fees, passport fees, licensing fee etc.
2. Fines and penalties are charges imposed on offenders of state laws as a punishment for having gone against the law for example police traffic fines. With the use of fines and penalties from offenders, government can generate revenue to finance her expenditures.

Gifts and donations are voluntary contributions made by individuals and organisations to the government.

Borrowings obtained by the government from within or outside the country.

Earnings from government enterprises are profits earned by the government from the sale of goods and provision of services.

Road and bridge tolls are revenue collected from users of roads and bridges to enable government maintain these facilities.

Photograph showing a road toll on Entebbe Express Highway.



From the above photograph, government can generate revenue from road tolls such as the Southern By-pass and Entebbe high way.

Activity:

In your book:

1. identify sources of government revenue in your community
2. list examples of government services within your community.



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