**SET 2**

**MARKING GUIDE**

**ENTERPRENUERSHIP EDUCATION 845/2**

1(a)(i) SWOT analysis refers to a identification of business strengths and weakness, opportunities and threats in a competitive industry (1 mark)

(ii). Examples of weaknesses in the SWOT analysis include:

* Incompetent staff/personnel
* Inadequate funds
* Inadequate market research
* Limited entrepreneurial skills

**Any 3x1=03mks**

b(i). Requirements for registering a business include

* Business name
* Business Address ( physical and postal address)
* Payment of registration fees
* Completed application forms
* Company Memorandum and Articles of Association

**Any 2x1=02mks**

(ii). Reasons for registering a business:

* For business identity
* For fulfillment to legal requirements
* To compete for and win government tenders
* To compete favourably with other business. **Any 2x1=02 marks**

C (i). Product design refers to the physical attributes of a product in terms of colour, shape, weight, quality etc. (1 mark)

While/whereas/yet

Product promotion refers to a range of activities undertaken to inform and attract customers to buy the products. (1 mark)

**(ii). Objectives of re-designing a product include;**

* To increase sales/attract new customers
* To differentiate the product from others offered by competing companies
* To maintain old customers
* To satisfy; legal requirements
* To minimize resource wastage
* To re-launch the product
* To correct errors and negative perceptions

**Any 2x1=2mks**

1. **Indicators of quality as perceived by customers include;**

* Cleanliness/neatness
* Packaging
* Technical specification
* Price/cost of the product
* Origin/source of the product
* Expiry dates
* Brand name
* Customers point of view (tastes and preferences)
* Durability

**Any 4x1 = 4 mks**

**e(i). Features that distinguish a commercial bank from a development bank include;**

* Commercial banks accept deposits yet development banks do not
* Commercial banks normally give short term loans yet development banks specialize in giving long term development loans
* Commercial banks charge high interest rates on loans yet development bank charge low interest rates

**Any 2x1=02mks**

**ii). Examples of development banks in Uganda**

* Uganda Development Bank (UDB)
* Housing Finance Bank
* East Africa Development Bank (EADB) Any 2x1=02 marks

**F(i) income tax is a tax levied on individual’s income or company profits –** while/yet/whereas

1 (mark)

Capital gains tax is a tax charged on profits/(surplus, appreciation, growth) of a company’s shares/capital or investments or capital assets. (1 mark)

**ii. Advantages of levying an income tax**

* It reduces income inequality
* It encourages hard work and creativity
* It generates tax revenue for social service provision

**Any 2x1 = 2mks**

1. **Reasons for terminating a business contract**

* Breach of contract
* Undue performance
* End of contract period/lapse of time
* Order by courts of law
* Frustration by non-occurrence of events surrounding contract
* Due performance/fulfillment of contractual obligation
* Mutual agreement among parties to do so
* Order by government authorities

h(i) Effective communication is a process of creating, transmitting and interpreting ideas, facts, opinions and feelings in a clear, understandable manner that involves feedback (1 mark)

ii) Barriers to effective communication include:

* Language barrier/use of slogans, jargons
* Interference from environment (noise, smell etc)
* Poor message preparation
* Use of wrong address
* Communication at an inappropriate time
* Use of wrong media

**Any 3x1=3mks**

(j) Requirements a company should fulfill before selling shares to public

* It should be fully incorporated or registered by the registrar of companies
* It must be a public limited company
* It must be financially stable/sound
* Its shares must be issued inconformity with the law
* Its shares must be fully paid up and freely transferable
* It should be quoted on the stock exchange market

**Any 4x1=4mks**

**(i).**(i). Bank loan is the amount of money lent by financial institution to its customer/client that has to be re-paid **with interest** within an agreed time log (loan period) ( 1 mark)

while/wheras/yet

Bank overdraft is the **excess money** beyond what is on account that a current account holder is allowed to withdraw/given. (1mk)

(ii) **Disadvantages of giving a bank overdraft include:**

* Reduce money available for day to day bank operations
* Possibility of failure to repay the borrowed money
* Bank incurs high recovery costs at times
* Worsens relationship between bank and client in case of failure to repay.

Any 2x1=2mks

**SECTION B**

**2 (a). How business benefit from society**

* Gets labour force/workers
* Get market/consumers of products
* Get supply of raw-materials
* Gets security

**4x1=4mks**

**How society benefits from businesses**

* Producing/supply of goods and provision of services
* Members of society get employment opportunities
* Business support/carryout community development programmes
* Business contribute tax revenue to facilitate service provision
* Business clean the environment
* Businesses act as study centers to the benefit of society
* Businesses act as entertainment centers to the society

**Any 6x1=6mks**

**b). How government can protect natural environment from negative business impact; by/through**

* Over taxing businesses that negatively impact nature
* Tightening registration and licensing procedures for businesses likely to affect nature negatively
* Putting in place strict laws and harsh penalties for business that destroy nature
* Instituting a total ban on products that destroy nature e.g. polythene bags
* Sensitizing the public on need to conserve the environment
* Recognizing and rewarding efforts of key environmentalists
* Encouraging formation of bodies to conserve natural environment e.g. NEMA
* Establishing policy that encourages cleaning up of environment pollution like recycling plants

**Any 5x2=10mks**

**3(a). Elements of a marketing plan include:**

* On-going trends and opportunities in the main and secondary market
* Quantified statements of the market size, growth rates
* Market share
* Position of competitors
* An analysis of the product and its value to the customers
* Analysis of on various ways of communicating with and influencing customers
* Selection of distribution channels and other alternatives in bringing the product to the consumers
* General statement of current market prices, affordable prices etc
* Expected sales
* Plan for recruiting and motivating sales force

**Any 5x2=10 mks**

(b) Challenges encountered when preparing a marketing plan include:

* Limited market data
* Lack of reliable market information
* Ever changing customer tastes and preferences
* Limited funds/resources
* Limited qualified and experienced labour e.g marketers and sales persons to prepare marketing plans
* Ever changing economic conditions

**Any 5x2=10 mks**

**4(a) Factors considered when choosing a production location include;**

* Availability of transport and communication network
* Presence of storage facilities
* Presence of good security
* Availability of power/energy
* Availability of water
* Availability of land/space
* Availability of market/closeness to customers
* Closeness to raw materials
* Availability of labour
* Availability of business support services
* Favourable government policy e.g. taxation

**10x1=10mks**

(b) Ways of increasing productivity of an enterprise through/by:

* Expanding plant capacities
* Recruiting more workers
* Hiring competent, skilled, experienced workers
* Retraining, skilling and re-equipping of workers
* Adequate and timely rewarding of workers
* Recognizing and rewarding more productive personnel
* Automation of production/use of advanced machines
* Constantly making research and implementation better/modern production techniques
* Carrying out intensive marketing of products to increase sales
* Expanding storage capacities etc

**Any 5x2=10mks**

**5(a) Factors that influence tax compliance include:**

* The extent to which a tax is equitable
* The extent to which tax laws and procedures are made simple and easy to understand
* The level of consistence and fairness of tax rules and regulations
* The extent to which tax burden is spread to all potential tax payers
* The quality of tax administration
* The popularity of ruling government and quality of governance
* The quality of business management among business/tax payers
* The extent of tax knowledge in the population.

**any 5x2 = 10 mks**

**(b). Measures to encourage tax compliance include; by/through**

* Sensitizing the masses on the benefits of taxation
* Fighting corruption and embezzlement of tax revenue i.e. showing accountability on the usage of tax revenue
* Developing a friendly system of tax collection/adopting the principle for fair tax assessment
* Ensuring price stability so as to boost the economic actives
* Using trained personnel to assess and collect taxes
* Improving the quality of tax administration
* Charging lower taxes (rates)
* Shortening the tax payment procedures
* Simplification of tax payment procedures
* Strengthening the implementation laws/imposing penalties to tax evaders etc

**Any 5x2=10 mks**

**6(a) Objectives of man power planning are:**

* To ensure availability of the right manpower at the right time and the right cost
* To estimate the number of employees needed
* To ensure optimum utilization of the existing man power
* To promote development of the existing man power through motivation, facilitation and training
* To promote career development of employees through training and placement
* To facilitate quick achievement of organizational goals and objectives
* To identify manpower gaps in an organization i.e. which department needs employees
* To minimize labour costs in an organization
* To set clear policies on employee promotion, retention, transfer, retirement and associated benefits

(b). Importance of man power planning

* It ensures optimum use of the available human resources
* It promotes career development in an organization via training
* It promotes personal development of existing man power through motivation and facilitation
* It’s a basis for setting good working conditions in an organization
* If facilitates quick achievement of an organizational goals and objectives
* It helps the organization to take up the right number of employees thus minimizing resource wastage in case of excess labour recruitment
* It boosts geographical and occupational/mobility of labour as a result of skills, abilities and competences gained by employees
* It helps in avoiding labour shortages as plans are under taken to replace labour force recruiting.

**Any 5x2=10mks**