**JINJA JOINT EXAMINATIONS BOARD**

**P230/3 ENTREPRENEURSHIP**

**Proposed marking Guide 2019**

**MARKING GUIDE**

**SECTION A**

**CASE STUDY**

1. (a) Behavioural characteristics associated with a strong need for

achievement possessed by Mr. Malevu include:-

1. Highly motivated and action oriented.
2. Formulated concrete and moderate goals based on his abilities and efforts.
3. Had internal involvement with goals and personal responsibility for the outcome.
4. Analysed the business environment to create opportunities.
5. Sought advice from entrepreneurs in similar business.
6. Learnt from feedback to see if right methods were used and sight goals were set.
7. Ensure that there is high efficiency in the business through delegation of duties , selecting priorities and motivating staff.
8. Etc.

Any 5x1 =05 marks

NB evidence is needed /implied.

(b) Factors that affected Mr. Malevu’s choice of business idea included the following:-

1. Training acquired in Bachelors of Building and construction Engineering.
2. Need for self employment.
3. Passion/ personal Interest for the occupation
4. Personal capacity to raise the needed capita.
5. Presence of market
6. Technical assistance/advice from entrepreneurs in similar business.
7. Etc.

Any 3x1 =03 marks)

NB Evidence is required.

(c) Basic steps Mr. Malevu could have followed when taking out the insurance policy includes.

1. Making an inquiry and Taking quotations
2. Choosing the insurance company and policy
3. Checking the budged to determining how much money to spend on insurance.
4. Filling the proposal form and paying premiums
5. Receiving the cover note and insurance policy.

Any 4x1 =04 marks

NB:They must be in a chronological order.

No evidence required.

(d) Mr. Malevu ensures better time management in business by:-

* Keeping diaries for noting down activities to be performed.
* Delegating duties to employees.
* Selects priorities to be done first.
* Establishing the hardware shop and consultancy office on the same building.
* Uses computers to reduce paper work.
* Motivates his staff
* Choosing useful reading materials in unavoidable free time.
* Any 4x1 = 04 marks
* NB Evidence required/implied

(e) Benefits enjoyed by modern building and construction centre for selling goods on cash basis include:-

* Provides constant supply of working capital
* Helps to reduce risks of bad debts
* Helps the business to plan for the use of the working capital.
* Enables constant supply of inventories since there is ready cash.
* Helps in proper management of stock
* Enjoys reduced administrative expenses associated with credit sales e.g documentation and time wastage in following up customers.

Any 5x1 = 05 marks)

NB.No evidence required.

2. (a) General description of the business should include the following:-

1. Name and address of business(Reflecting its nature)
2. Physical location of the business
3. Products offered.
4. Target customers/ market
5. Date of establishment
6. Source of capital to the business
7. Ownership/Nature /legal form of business.
8. Description of business assets and premises
9. Uniqueness of the business
10. Purpose of the business i.e vision, mission, Goals and objectives
11. SWOT analysis i.e business strength , weaknesses, opportunities , and threats.
12. Any 4x1 =04 marks)

NB: Must be prepared.

(b) (i) Cash management policing that were used in the business

included :

* Banking all cash received intact on daily basis.
* Receiving and payment of cash by only the authorized person.
* Receipting and documenting all cash received and paid out.,
* Keeping cash at the business premises under lock and key.
* Proper counting and checking of cash received and paid out to ensure correctness.
* Avoiding use of business funds by the club officials on personal matters
* Keeping safety receipts and other documents related to accountability of cash.
* Receiving bank statements on regular basis
* Giving accountability by the club officials to the members.
* Carrying out regular auditing
* Training the officials in charge of cash in financial management.

Any 6x1 =06 marks

NB. Evidence is required.

(b)(ii) Measures taken to increase profits

* Increasing prices of goods.
* Producing quality products/services
* Involving members in doing the work than employing paid workers
* Buying raw materials/stock from cheaper sources /in bulk.
* Reducing advertising costs by announcing the products/service on assemblies.
* Using cheaper but attractive packing materials
* Increasing sales through motivating sales personnel, advertising etc.
* Being creative and innovative
* Using free school facilities such as premises, utilities, security, transport etc

Any 4x1 =04 marks)

NB Evidence is required /may be implied.

(c) Factors that were considered when pricing products may include:

* The cost of the product/production cost.
* Income level of the customers
* Objectives of firm
* Nature of the product and prices
* charged by the competitors
* Quality of the product
* Need to make prices attractive to customers
* Quantity in which customers buy.

Any 4x1 =04 marks

NB.Evidence is required.

(d) How the business project was sustained may include the following:-

* Training of the club members.
* Provision of quality products/services/improvement in quality.
* Offering of a variety of products
* Appropriate/ fair pricing of the products
* Advertising the business products
* Avoiding drawings
* Re-investing profits
* Practicing good business ethics.
* Meeting legal obligations eg school rules and obligation
* Raising more capital from external sources.
* Etc.

Any 6x1 =06 marks

3. (a) (i) Nature of the business may be manufacturing or Trading or

service or agribusiness and brands depend on the business operated.

Nature - 01mark

Brand(s) - 01 mark

1. (ii) The vision and mission statements depend on the nature of the business. 1 mark for each
2. How the club members were motivated in carrying out business activities include:-

* Specialization and division of labour
* Giving them some of the products produced.
* Paying them salary
* Sharing of profits on termly basis
* Allowing them to participate in club competitions.
* Training of club members
* Allowing all members to participate in decision making.
* Organising and conducting free and fair elections for club leadership.
* Recognising outstanding club members
* Etc.

Any 4x2 = 08 marks

NB Evidence is required.

1. Techniques that were used to make the products unique in the market may include:

* Unique packaging
* Uniqueness in quality
* Uniqueness in pricing
* Uniqueness in colour
* Uniqueness in size/quantity
* Uniqueness in shape/style

Any 4x1 = 04 marks)

NB evidence is required.

1. (i) Factors that were based on to assess the business risks include:

* Experience and abilities of the club members.
* Availability of market
* Pricing policies and strategies. Cash flow and capital requirements
* Flexibility of the business
* Honesty of the club members/employees.

Any 5x1 =05 marks)

NB: Evidence is required

1. (ii) Techniques of negotiating with customers employed in marketing business products successfully included.

* Communicating frequently.
* Offering customers rewards
* Holding special events
* Promoting two way communication
* Enhancing customers service .
* Launching multicultural programs
* Visiting customers
* Using non-productive value methods
* Being pleasant

Any 4x1 =04 marks

4. (a) As question 2 part (a)

Any 4x1 =04 marks

NB Must be prepared.

(b) Management tasks performed may include the following:

* Financial management
* Human resource management
* Production management
* Marketing management

Any 3x2 =06 marks

NB. Mentioning -01 mark

Evidence -01 mark

4. (c) How the business depends on the natural environment includes the following:-

* Land for construction of business premises.
* Raw materials
* Labour for carrying out business operations
* Market for its products

Any 4x1 =04 marks

NB. Evidence is required.

(d) (i) Business ethics practiced by owner(s) of the business towards

employees include:

* Guaranteeing a safe work place.
* Giving fair remuneration/salaries and wages
* Giving fair and clear terms of employment
* Providing good working conditions
* Respecting workers
* Ensuring job security
* Politeness
* Arranging for proper training and education of the employees
* Giving room for creativity
* Any 7x1 =07 marks

NB: Evidence is required.

(d) (ii) Challenges associated with family involvement in the business may include

* Difficult decision making
* Succession of the enterprise.
* Growth limitations
* Limited vision
* Limited skills and talent to operate the business.
* Role confusion
* Benefits sharing conflicts
* Laziness among family members
* Theft and misuse of business funds and stocks
* Withdrawing of goods from the business for their personal use.
* Etc.

Any 4x1 =04 marks

NB:No evidence required.

5. (a) As question 2 part (a)

Any 4x1 =04 mark

(b) Presence of water body /source.

* Presence of adequate power
* Presence of necessary labour both unskilled and skilled
* Presence of cheap /free industrial land.
* Availability of raw materials
* Developed other infrastructure such as roads railway, and communication facilities
* Presence of adequate market.
* Adequate/presence of security
* Etc.

Any 4x1 =04 marks

(c) Using the SWOT analysis , the strengths of the business include the

following

* Production of a variety of products
* Production of high quality products /services
* Good branding /strong brand image.
* Excellent advertising.
* Use of modern technology
* Wide distribution network
* Good time management practices
* Adequate capital raised by owners
* Entrepreneurial skills/Abilities to manage the business by owners/Employment of skilled and qualified personnel.
* Ready market provided by large labour force.
* Etc.

Any 6x1=06 marks

NB:Evidence is required.

(d)(i) Marking mix strategies used in business include:

* Product.
* Price/pricing
* Promotion of business products
* Place/Distribution channel used in marketing of products.
* Packaging
* People
* Positioning
* Etc.

Any 6x1 =06 marks

NB evidence is required.

(d)(ii) Challenges faced in marketing business products may include:

* Stiff competition.
* Theft of business products and cash during marketing/Theft and robbery
* Adulteration of business products
* Inadequate transport facilities
* Change in customer’s taste and preference
* Bad debtors/identifying credit worthy customers to be offered credit.
* Theft /embezzlement of business funds by sales team.
* Fixing affordable prices.
* Unfavourable weather like rain that hinder movements
* Customer skeptism in having doubts in the commodity
* Under developed infrastructure especially roads causing unnecessary delays and break down of vehicles.

Any 5x1 =05 mark