**845/2 ENTREPRENEURSHIP**

**SECTION A**

1a (i) Work is the use of the physical body and mental ability or both for the purpose of producing a good or service. (1mk)

**(ii) Importance of doing work**

* It gives social recognition.
* Helps people to increase income.
* Helps to improve our standard of living.
* Helps people to use resources, talents, knowledge and skills productivity.
* Makes people become useful and helpful to their communities in general.
* Helps people meet their family requirements.
* Gives people independence and self reliance.
* Creates a competitive spirit which enables people to acquire property.
* Helps people to save and prepare for old age.

3\*1= (3mks)

**(b)(i) Factors Considered when selecting a career.**

* The person interest of an individual.
* Family background
* Academic preferences and attainment.
* Ability of the person.
* Government policy towards employment.
* Influence from friends, teachers etc.
* Benefits associated with the career.
* Job opportunity available for the career.
* Religious influence.
* Peer Influence
* Inspiration from role models

**(b)(ii)- Supportive skills required for different career**

* Communication skills.
* Adapting skills.
* Decision making skills or initiatives
* Interpersonal skills
* Technical skills
* Creativity and Innovativeness.
* Stamina
* Cultural diversity

(c)Major Instruments Used in Capital markets.

* Bond
* Share
* Debenture
* Commercial papers 4\*1= 4mks

(d) (i) Marketing refers to a series of activities an entrepreneur does to find out who his or her customers are and what they need or want. (1mk)

While\whereas\but\yet

Selling is a two-way communication between the buyer and the seller. (1mk)

(ii) Any two ways of achieving creative selling

* Making strong points about the product right from the beginning of the presentation.
* Mention more of the benefits of the product than features.
* Giving customers complete attention
* Involving the buyers in the discussion\conversation
* Listening to the customers to make him\her feel free and important and to understand his\her needs. 2\*1= 2mks

(e). Sources of Capital to a business

* Personal Sources
* Borrowing
* Trade discounts
* Gifts and offers from family members or friends.
* Fundraising, grants and donations. 4\*1=4mks

(f)(i) Tools of the monetary policy

* Bank\interest rate
* Open market operation
* Selective credit control
* Variable reserve requirements
* Moral Suasion

2\*1= 2mks

(ii) Features of a fixed deposit account

* A minimum amount is required is required for a specific period
* No further deposit or withdrawals are to be made on the fixed account until the expiry of the agreed time.
* Higher interest is paid to the account holder in comparison to other types of accounts.
* A receipt is issue to the fixed account holder at the time of placing the deposits.
* When the account holder withdraws his\her money before the expiry of the fixed deposit period, he\she forfeits the interest expected on the account.

2\*1= 2mks

**(g). Different types of long term business Funds**

- Leasing types of long term business Funds.

- Mortages.

- Bonds

- Shares

- Debentures or long term loans

(h) (i) Insurable risks are those risks that can be legally insured. 1mk

while\whereas\yet\but

Non-Insurable risks are those risks that cannot legally be insured and in the event of the occurance.

Insurance Company cannot be legally compelled to Compensate.

(ii) Principles of Insurance

* Insurable Interest
* Utmost good faith
* Subrogation
* Indemnity.
* Proximate Cause 2\*1=2mks

1. **Essentials of effective Communication**

* Complete \Completeness
* Concise\Conciseness
* Courteous\Courtesy
* Correctness
* Considerate/Consideration
* Clear/Clarity
* Timing
* Environment
* Media 4\*1=4mks

**(j) Business ethics an entrepreneur should observe towards customers.**

* Honesty
* Courtesy
* Geniality
* Responsibility 4\*1=4mks

**SECTION B**

**2a) Indicators of Success in business**

* Increase in assets
* Increased Profits
* Expansion of business.
* Recognition in the community
* Reduced operational costs 4\*2=8mks

**2b) Factors that lead to successful business**

* Clear objectives
* Efficient and effective business planning.
* Proper location and plant layout.
* Availability of business support services.
* Availability of market.
* Conducive government policies.
* Personal entrepreneurial qualities.

6\*2=12mks

**3a) Factors Considered when selecting machinery, tools and equipment.**

* Initial Cost of the equipment and machinery
* Capacity of machine
* Ease in maintenance and repair
* Flexibility for adjustment in relation to the customers
* Changing tastes and preferences.
* Availability of other equipment required to operate the machinery or equipment especially complementary machines.
* Productivity and efficiency of machinery and equipment.
* Complexity of the task to be done.
* Life span of machinery and equipment.
* Guarantee given by the manufacturer.
* Source of machinery and equipment.
* Ease and simplicity to use. 10\*1=10mks

**3b Importance of packaging**

* Protection of goods.
* Helps in easy profitability.
* Provides the name of the producer.
* Helps in preservation of products.
* Helps in promotion.
* Helps in portioning.
* Helps in distribution
* Makes selling easy.
* Self service is made easy.
* Instructions are always given
* Products are easily differentiated.

10\*1=10mks

**4a Role of an entrepreneur as a manager.**

* Recruitment.
* Selection
* Induction training
* Communication
* Work Organisation
* Planning and supervision training
* Dealing with disciplinary problems.
* Classifying jobs and preparing salary and wage scales.
* Providing periodic appraisals.
* Managing benefit programmes.
* Hiring other personnel. 7\*2=14mks

**4b. Challenges of using family members in managing business**

* Laziness
* Theft and misuse of business funds and stocks
* Withdrawing of goods from the business
* Taking the business for granted.

3\*2=06mks

**5a) Components of a business plan.**

* General Description of the Business
* Statement of mission,Goals and Objectives.
* Marketing plan.
* Production plan
* Organisation Plan.
* Financial Plan.
* Action Plan.

7\*2=14mks

**b) Uses of a business plan to an entrepreneur**

- Helps in making adequate preparations for a business.

- Defining Goals and Objectivities.

- Makes the entrepreneur Focused.

- It is a time table for Implementation of business activities.

- Helps in monitoring business activities.

3\*2= 6mks

Stating, explaining

**6a. Business Laws applicable in the country**

* Company law
* Public Health Law
* Food and Drugs Act.
* Consumer Protection Law
* Weights and Measures Act
* Environmental Law (National Environment Statute)

5\*2= 10mks

**6b) why taxes are paid**

* To enable government provide social services to the public
* To reduce income inequalities in society
* To protect infant (domestic industries)
* To restrict consumption of certain commodities
* To provide a method through which society charge those who use its facilities.
* To check on inflation
* To cover community wealth.
* To redistribute income and wealth
* To reduce dumping in a country

5\*2=10mks

**END**