**ACEITEKA JOINT MOCK EXAMINATIONS 2024**

**UACE ENTREPRENEURSHIP EDUCATION**

**PAPER ONE – P230/1**

**MARKING GUIDE**

**SECTION A**

1(a) **Negotiation skills in entrepreneurship**

* Clarity in communication/effective communication / transparency / openness.
* Controlling emotions / Respecting others / Remaining focused / Sticking to objectives.
* Occasionally showing anger but not losing temper.
* Avoiding personalising situations / Fairness
* Decision making
* Being innovative and creative / Creativity and innovativeness
* Being flexible / Flexibility

**Any 4 x 1 = 04 mars**

(b)(i) **Prototype** refers to a **model** of invention that puts into practice all the things documented in the inventor’s journal OR Prototype refers to first/original model / version of a product from which future versions are developed. **(01mk)**

(ii) **Perspectives of analyzing a business idea.**

* company
* customers
* competitors
* collaborators

**Any 3 x 1 = 03 marks**

(c)(i) **A cash flow statement** refers to a financial statement that shows cash inflows and cash outflows of a business during a given period.

**While**

**A balance sheet** refers to a financial statement that shows the financial position of a business at a given/specific date OR it refers to a financial statement showing assets, liabilities and shareholders’ equity at a specific date. **(02mks)**

(ii) **Contents of a cash flow statement**

* Balance brought forward / brought down
* Cash inflows
* Cash outflows
* Net cash position.

**Any 2 x 1 = 02mks**

(d)(i) **Examples of taxes collected by the Local Government Authorities**

* Property tax
* Local hotel tax
* Local service tax

**Any 2 x 1 = 02mks**

(ii) **Elements of tax compliance**

* Registration
* Filing tax returns
* Declaration
* Payment of tax
* Record keeping

**Any 2 x 1 = 02 marks**

**NB:** Chronological order is not required.

(e) **Factors that should be considered by the insurer when determining insurance premium.**

* Nature of the property being insured.
* Number of people exposed to the same risk.
* Frequency of occurrence of the risk being insured.
* Value of the property to be insured.
* Age of the property.
* Type of policy to be bought / Duration of the insurance cover.
* Precautions taken to reduce the risk(s).
* Operating expenses of the insurer
* Desired profit margin of the insurer.

**Any 2 x 1 = 02mks**

**SECTION B**

2(a) **The need for promoting effective communication in an enterprise:**

* To facilitate the use of business documents.
* To facilitate the flow information / advertising.
* To determine the level of competition.
* To link business to support services.
* To save life and property.
* To improve the relationship between employer and employees.
* To be used for future reference.
* To help in recruiting and selecting suitable workers for the business.
* To help in decision making.
* To help in implementing the business policies.
* To save time
* To facilitate market research
* To help in performance appraisal
* To help in stablising prices in case of shortages.
* To help in getting feedback.
* To improve the business image / reputation.
* To increase sales.
* To increase profits.

**Any 6 x 1 = 06 marks**

**(b) Barriers to effective communication in an enterprise.**

* Language barrier / difference
* Distraction from the environment e.g noise.
* Poor listening skills.
* Poor / unfavourable network.
* Lack of interest in the subject matter.
* Using inappropriate channel of communication.
* Emotional blocks.
* Poor timing of the communication.
* Poor preparation of the content to deliver.
* Unpleasant / unattractive appearance of the sender.
* Information overload.
* Use of faulty communication equipment.
* Use of technical terms / words during communication.
* Wrong perception of the message.
* Long distance between the sender and the receiver.
* Incomplete message
* Poor handwriting

**Any 7 x 2 = 14 marks**

3(a) **Aspects that characterize the entrepreneurial environment.**

* Resource scarcity.
* Opportunity orientation / oriented.
* Uncertainty
* Flexibility.

**4 x 2 = 08 marks**

(b) **Economic environment factors that promote entrepreneurship development in Uganda.**

* Favourable / conducive economic policy.
* Well developed / good infrastructure
* Favourable administrative issues / policies or few procedural requirements.
* Well developed financial systems.
* Favourable / effective / clear legal requirements.
* Adequate resources / presence of resources.
* Low cost of production / low cost of business.
* Presence of economic incentives.
* Low level of competition.
* Large market

**Any 6 x 2 = 12 marks**

4(a) **How training needs of the employees can be identified in an organisation.**

* Conducting performance appraisal.
* Supervising workers / direct observation of workers.
* Using questionnaires.
* Seeking advice from experts in Human Resource Management.
* Conducting interviews.
* Using focus groups / select committee.
* Conducting the exam / test related to the required skills.

**Any 4 x 1 = 04 marks**

(b) **Relevance of equipping employees with skills in an organisation.**

* Promotes good employee – employee relationship.
* Improves employee morale.
* Increases / promotes efficiency.
* Promotes team work.
* Reduces labour turnover.
* Reduces / minimises supervision costs.
* Helps in inducting / orienting new employees.
* Improves workers’ skills.
* Creates a pool of readily available manpower.
* Enables employees to cope with technological changes.
* Increases productivity.
* Helps to meet the expansion needs of the business.
* Helps to reduce accidents.
* Creates a good business image.
* Increases profitability of the business.

**Any 8 x 2 = 16 marks.**

5(a) **A business plan** is a monitoring / management tool that focuses on the nature of the business in a logical and organised way OR a business plan is a document prepared by an entrepreneur describing all the requirements needed to start a new business or expand the existing business. **(02mks)**

**While**

**A financial plan** refers to part/section of a business plan that shows the financial requirements of the (proposed) business.

**(02mks)**

(b) **Instances under which an entrepreneur may prepare a business plan.**

* When there is need to acquire a loan / funding for a business.
* When acting as a time table for implementing business activities.
* In case there is need to define specific goals and objectives of the business.
* If an entrepreneur needs to remain focused.
* When there is need to identify barriers in advance.
* In case of need to identify the SWOT of the business.
* In case an entrepreneur wants to find out the expected targets in a given period of time.
* When guiding in tax assessment.
* When there is need to test the feasibility and viability of a business idea.
* In case an entrepreneur needs to monitor and evaluate business performance.
* If there is need to give the new business the (best) possible chance of success.
* When acting as a basis or foundation for obtaining permission to start or operate the business legally.
* In case there is need to formulate appropriate marketing strategies for increasing business sales.
* When there is need to make business planning manageable and effective.
* Incase of need to attract other / new investors.
* If there is need to provide information on credit transactions.
* Where there is need to determine the financial position of the business.
* In case of need to obtain external / government support.

**Any 8 x 2 = 16 marks**

**NB:** Instances for preparing a business plan can also be got from the different components of the business plan i.e marketing plan, production plan, financial plan, organisational plan etc.

6(a) **Competition** refers to the battle between or among businesses to win customers’ acceptance and loyalty. **(02mks)**

**While**

**Competitive advantage** in the ability of a business / firm to provide the same service(s) to customer(s) in a better way than its competitors. (**02mks)**

**(b) Implications of competition in business.**

**Positive implications of competition**

* Leads to production of better quality products.
* Ensures customer satisfaction.
* Promotes product diversification.
* Lowers prices of products.
* Leads to mass production.
* Encourages exploitation of idle resources.
* Promotes research and development.
* Leads to better employee payment.
* Leads to improved service delivery.
* Attracts government assistance.
* Creates more jobs / employment opportunities.
* Encourages hard work.
* Leads to enjoyment of free services.

**Any 8 x 1 = 08 marks**

**Negative implications of competition**

* Leads to limited / small market share.
* Increases costs of production.
* Leads to wastage of resources.
* Leads to resource exhaustion.
* Lowers the profits of business.
* Reduces the morale of the entrepreneurs who lose out.
* Increases labour turnover.
* Increases unemployment.
* Misleads customers / distorts customers’ choices.
* Increases cash shortfalls / shortages in the business.
* Encourages duplication of goods and services.
* Limits research.
* Limits expansion of the firm.
* Creates bad relationship among entrepreneurs.

**Any 8 x 1 = 08 marks**

7(a) **Differences between marketing and selling**

* Marketing focuses on the needs of customers while selling focuses on the needs of the producer / seller.
* In marketing, the customer enjoys supreme importance while in selling, the product enjoys supreme importance.
* In marketing, an entrepreneur converts the needs of a customer to a product while in selling, the entrepreneur converts a product into cash.
* In marketing, profits are achieved through satisfying the needs of the customers while in selling, profits are achieved through increased sales volumes.
* In marketing, there is caveat venditor (let the seller be aware of what he/she is marketing) while in selling there is caveat emptor (let the buyer be aware of what he/she is buying).
* Marketing aims at achieving long term targets / benefits while selling aims at achieving immediate / short term targets / benefits.

**Any 5 x 2 = 10 marks**

(b) **Marketing techniques entrepreneurs can employ in their businesses.**

* Effective communication
* Decision making
* Product display.
* Negotiation
* Advertising
* Appropriate / favourable pricing policies and strategies.
* Quality improvement.
* Personal selling

**Any 5 x 2 = 10 marks**

**=END=**