



YAKISSHA JOINT MOCK EXAMINATIONS
MARKING GUIDE
Uganda Certificate of Education
UCE August 2023
ENTREPRENEURSHIP EDUCATION 845/2

SECTION A (40 MARKS)

1. (a) (i) **Define the term risk as used in entrepreneurship.** (01 mark)
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 for failure.

OR

A risk is a situation where a person takes an activity with uncertain outcomes.

OR

A risk is a possibility of suffering from a loss or danger.

(1x1) marks
=1 mark

- (ii) **State any three factors determining risk assessment.** (03marks)

- The personal experience and abilities.
- The pricing strategies
- Degree of honesty among employees
- Viability of the idea
- Flexibility of the business
- Cash flow of the business
- Availability of market etc

Government policy

Any (3x1) marks
=3 marks

- (b) (i) **What is meant by the term career?** (01 marks)

A career is an activity / work / activity that one does over a period of time for time for his/her survival and to achieve his /her goals.

OR

Is a continuous ever evolving and expanding opportunity for personal use as well as business growth and development.

OR

Is what one wants to be in future.

(1x1) marks
= 01 mark

(ii) Mention any three examples of career sectors in your country. (03 marks)

- Extraction sector
- Education
- Security
- Hotel and tourism
- Entertainment
- Agriculture
- Manufacturing
- Banking sector
- Health sector
- Media etc
- Law sector
- Transport sector
- Commerce and trade / Commercial sector
- sports sector
- construction sector

any (3x1)
= 3 marks

(c) (i) What is a business environment? (01 mark)

A business environment refers to the social and economic activities surrounding a business which enables it to survive and carryout it's functions successfully.

(1 mark)

(ii) State any three components of a business environment. (03 marks)

- Population / people / customers.
- Other businesses operating in the area / Business competitors.
- Government (local and central)
- Infrastructure
- Tecnology
-
-
-
-
-

Any 3 x 1 marks

(d) Mention any four supportive skills required in the job market. (04 marks)

- Creativity and innovation
- Stamina
- Cultural diversity
- Decision making skills / problem solving skills
- Conceptual skills
- Interpersonal skills
- Technical skills
- Communication
- Adapting skills
- Diagnosing skills
- Negotiation skills
- Leadership skills.
-
-

Any 4 x 1 marks

- (c) (i) **Distinguish between business idea and business opportunities.** (02 marks)

Businesses ideas are thoughts ^{that} ~~fact~~ an entrepreneur may come up with for the purpose of developing them into profitable businesses.

~~While / whereas / yet / but~~
Business opportunities are identified ~~situations~~ ^{or} chances that can be turned into real profitable businesses.

1 mark
2 marks

- (ii) **Outline any two characteristics of a good business opportunity.** (02 marks)

- It should have a low startup capital.
- It should be properly timed.
- It should have enough market size.
- It should be competitive.
- Should have reasonable returns ^{on} of capital investments.
- Availability of market / ^{affordable}.
- Good growth and market potential
- Should be related to one's skills and ^{experience} ~~expensive~~.
- Adequate support from the community. / ^{support services}
- Reasonable ease of entry in the market.
- ^{Flexibility}
- ^{Adequate support from government}
- ^{Adequate / appropriate technology}
- ^{Availability of resources / inputs.}

Any 2x 1
= 2 marks.

- (f) **Give any four examples of indirect expenses incurred during business operations.** (04 marks)

- Rent
- Insurance
- Repair and maintenance cost / expenses.
- Electricity
- Security
- Telephone expenses
- Stationery expenses.

^{etc}
- Salaries & wages to support staff.

any 4 x 1 marks
4 marks

- (g) (i) **Define the term tax compliance as used in taxation** (01 mark)

Tax collected refers to degree at which tax payers meet tax obligations as set out by appropriate legal and regulatory provisions.

(1x1)

- (ii) **State any three examples of taxes collected by local authorities in Uganda.** (03 marks)

- Property tax
- Sign post fees and bill boards

- Permit fees
- Land fees
- Trading license
- Local service tax
- Street parking fees
- Market dues
- Plan fees
- Local hotel tax

(3x1)

(h) Determine

(i) Working capital ratio.

(3 marks)

$$\text{Working Capital ratio} = \frac{\text{current Assets}}{\text{current Liabilities}} \checkmark 01$$

But current Assets = debtors + bank balance + cash balance
 = 60,000 + 20,000 + 20,000
 = Shs. 100,000

But Current Liabilities = creditors + Bank overdraft
 = 30,000 + 10,000
 = Shs. 40,000

Therefore Working capital ratio = $\frac{100,000}{40,000} = 2.5:1$ or $\frac{5}{2} = 2.5:1$ or $3:1$ ✓ 01

(ii) Interpret the results after.

(01 mark)

This means a business is able to pay its current liabilities using its current assets 3 times.

(i) State any four stake holders of a business plan.

(04 marks)

- Investors
- Banks / lenders / financiers
- Share holders
- Donors
- Government
- Employees
- Suppliers
- Customers
- Finances
- Entrepreneurs and management

(Any 4 x 1)

(j) (i) Define the term Listing as used in stock exchange.

(01 mark)

Listing is the inclusion of a company on the stock exchange List / market

(ii) Give any three qualifications for a company to be Listed.

(03 marks)

- It should be duly incorporated.
- Must have its shares issued in conformity with the Uganda law and company's memorandum and Articles of association.
- Shares must be freely transferrable.
- Must be a public company.
- Must be financially sound.

(Any 3 x 1)

SECTION B (60 MARKS)

Answer any three questions from this section.

2. (a) **Mention any eight contents of a partnership deed.** (08 marks)

- Name, address and contacts of the business.
- Name, address and contact of each partner.
- The type of the partnership i.e. temporary, permanent, Etc
- The type of each partner i.e. active, dormant, quasi etc.
- The ~~date~~ of business startup.
- The duration of a partnership incase it's temporary.
- The objectives of the partnership / *purpose / aims*
- The procedure of holding meetings.
- The amount of capital contributed by each partner
- The procedure of sharing profits and losses of the business.
- The procedure of voting leadership of the business.
- The procedure of settling disputes among partners.
- The procedure of recruiting new ~~members~~ *partners*.
- The amount of payments to be given to ~~unlimited~~ *partners in case any partner*
- The liability of each partner.
- The procedure of dissolving the partnership.
- The signature of each partner.
- The name and signature of the witnesses.
- *The procedure for retiring a new partner*
- *Loans extended and interests*
- *Drawings aloud to partners and interest on drawings*
- *Duties and rights of each partner.*
- etc

Any (8 x 1)
= (8 marks)

- (b) **What are the merits of a partnership business over sole proprietorship** (12 marks)

- More capital is raised in partnership business *unlike* sole proprietorship.
- There is specialization in partnership than in sole trade.
- Business losses are shared among partners *unlike* in sole trade.
- Good decisions can easily be made in partnership compared to sole.
- The business can easily secure a bank loan than sole trade.
- There is assured continuity of the business in case the one partner dies *unlike* in sole trade where the death of the trader may lead to business closure.
- Members have limited *liability for limited partnership* *unlike* in sole trade where the trader has unlimited liabilities.
- *Economies of scale are enjoyed due to large operations unlike sole trade.*

NB: The learner should use "unlike, than, compared to". Show what happens on both parties. *which is not the case*

Any (6x2)
= 12 marks

3. (a) Give the objectives of packaging products by business entrepreneurs. (08 marks)

- To facilitate easy handling of business products.
- To protect the products from external conditions.
- To avail the public with external information about the products such as product expiry, ingredients used etc.
- To promote product differentiation.
- To facilitate self service
- To facilitate easy transportation of the products.
- To facilitate advertising and product promotion.
- To relieve the retailer's work of wrapping and weighing business products.
- To promote good product image.
- To ^{promote} protect preservation of the products especially food stuff.
- ~~Packaging materials can be used for other purposes.~~
- To enhance portioning of products.
- To facilitate easy storage
-
-

Any 8x1
=8 marks

(b) Explain six factors considered by entrepreneurs while selecting packaging materials. (12 marks)

- The cost of the packaging material. *in relation to value of the goods.*
- Availability of the packaging material.
- The source of the packaging material.
- The nature of goods to be packed.
- The effect of the packaging material on the environment.
- The quality/durability of the packaging material.
- The purpose of packaging.
- The channel of distribution channel to be used when *distributing* ~~disturbing~~ business products.
- The attractiveness of the packaging material.
- The unit cost required per production life cycle.
- *The means of transport*
- *Government policy on packaging materials*
-
-

Any 6 x 2 = 12 marks
Point statement 1 mark
Explanation 1 mark

4. (a) What are the steps followed when conducting personal selling as a technique used for marketing business products. (08 marks)

- Pre-sale preparation.
- Prospecting
- Pre- approach
- Approach

- Sales presentation
- ~~Demands for the sale~~ Handling objections
- Closing the sale
- ~~Successful the sale~~ Sales followup.

NB. Follow a chronological order.
(8 x 1)

(b) Explain the merits of personal selling to a business enterprise. (12 marks)

- It increases sales
- It enables the business to outcompete its competitors.
- It expands the market share.
- It enables the business to attract new ~~customers~~ *customers*
- It improves the relationship between the business and its customers.
- Creates confidence and ~~mutual~~ *mutual* trust between the sales person and the customers.
- It saves customers from being exploited by the middlemen inform to high prices.
- It facilitates product demonstration and performance.
- It enables the business to identify and collect the customers' opinions and suggestions towards a given product.
- Provides technical and complex information about a certain product.
- Creates a two- way communication between the customer and sales person.

Any (6 x 2)

5. (a) Outline any four sources of recruitment of employees.

(04 marks)

- Talent spotting / *head hunting* - *Poaching*
- Advertising in the media
- Visiting institutions
- Using labour union
- Using previous applicants.
- ~~Present employees~~
- Using website
- Through promotions.
- *Transfers*
- *Demotions*
- *Networking*
- *Referrals*
- *Private employment agencies*

(Any 4 x 1)

(b) Explain the factors considered when recruiting business employees. (16 marks)

- Working experience of the employees.
- Level of education
- The type of skills required.
- Cost of employees.
- Nature of work to be done
- Age of the employee

- Marital status of the worker
- Sex of the employee
- Language spoken
- Number of workers required / Size of the business
- Level of technology used in business.
- Health status of the employee.
- The location of the employee in relation to job location

(Any 8 x 2)

6. (a) Explain the business laws that are commonly applicable in Uganda. (10 marks)

- Public health Act
- Foods and drugs Act
- Company Act / Business Name Registration Act
- Weights and Measures Act
- Consumer protection Act
- Environment Act
- Trade license Act
- Employment Act / Worker protection Act.
- Land Act

Any 5 x 2 = 10 marks
Point statement 1 mark
Explanation 1 mark

(b) Advise the government on the measures that can be undertaken to encourage entrepreneurs observe business laws in Uganda. (10 marks)

- Sensitizing the benefits of business laws through various media like radio.
- Supervising and monitoring the business in all areas of business operations.
- Employing business law enforcement officers to help and guide business entrepreneurs.
- Training labour in order to adopt and implement business laws.
- Giving appropriate punishments to businesses that may disobey business laws.
- Conducting spot checks to the business to ensure enforcement of business laws.
- Incorporating business laws on the syllabus.
- Rewarding and recognizing business entrepreneurs that observe business laws.
- Employing skilled personnel to monitor and supervise business operations.
- Reducing on the bureaucratic tendencies and paperwork.
- Translating laws into major languages that can easily be understood.

Any 5 x 2 = 10 marks
(Any 8 x 1)

END