

845/2
ENTREPRENEURSHIP
EDUCATION
Paper 2
July/August 2023
2 ½ hours



WAKISSHA JOINT MOCK EXAMINATIONS

Uganda Certificate of Education

ENTREPRENEURSHIP EDUCATION

Paper 2

2 hours 30 minutes

INSTRUCTIONS TO CANDIDATES:

- This paper consists of **two** sections **A** and **B**.
- Section **A** is **compulsory**. Answers to this section should be precise.
- Answer **three** questions from section **B**.
- All questions in section **B** carry **equal** marks.
- Any additional question(s) answered will **not** be marked.
- Credit will be given for use of relevant examples and illustrations.

Answer all questions in this section.

1. (a) (i) Define the term **risk** as used in entrepreneurship. (01 mark)
 (ii) State any **three** factors determining risk assessment. (03marks)
- (b) (i) What is meant by the term **career**? (01 mark)
 (ii) Mention any **three** examples of career sectors in your country. (03 marks)
- (c) (i) What is a **business environment**? (01 mark)
 (ii) State any **three** components of a business environment. (03 marks)
- (d) Mention any **four** supportive skills required in the job market. (04 marks)
- (e) (i) Distinguish between **business idea** and **business opportunities**. (02 marks)
 (ii) Outline any **two** characteristics of a good business opportunity. (02 marks)
- (f) Give any **four** examples of indirect expenses incurred during business operations. (04 marks)
- (g) (i) Define the term **tax compliance** as used in taxation. (01 mark)
 (ii) State any **three** examples of taxes collected by local authorities in Uganda. (03 marks)

(h) Given

	Shs.
Debtors	60,000
Bank balance	20,000
Cash balance	20,000
Bank over draft	10,000
Creditors	30,000
Rental bills	50,000

- Determine (i) Working capital ratio. (3 marks)
 (ii) Interpret the results after. (01 mark)
- (i) State any **four** stake holders of a business plan. (04 marks)
- (j) (i) Define the term **Listing** as used in stock exchange. (01 mark)
 (ii) Give any **three** qualifications for a company to be Listed. (03 marks)

SECTION B (60 MARKS)

*Answer any **three** questions from this section.*

- (a) Mention any **eight** contents of a partnership deed. (08 marks)
- (b) What are the **merits** of a partnership over a sole proprietorship business? (12 marks)
- (a) Give the objectives of packaging products by business entrepreneurs. (08 marks)
- (b) Explain **six** factors considered by entrepreneurs while selecting packaging materials. (12 marks)
- (a) What are the steps followed when conducting personal selling as a technique used in marketing business products? (08 marks)
- (b) Explain the merits of personal selling to a business enterprise. (12 marks)
- (a) Outline any **four** sources of recruitment of employees. (04 marks)
- (b) Explain the factors considered when recruiting business employees. (16 marks)
- (a) Explain the business laws that are commonly applicable in Uganda. (10 marks)
- (b) Advise the government on the measures that can be undertaken to encourage entrepreneurs observe business laws in Uganda. (10 marks)

END



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* of 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*
- *political climate*
- *costs involved.*

Any (3x1) marks
=3 marks

- (b) (i) **What is meant by the term career?** (01 marks)
A career is an activity / work / *occupation* 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)

- Education
- Security
- Hotel and tourism
- Entertainment
- Agriculture
- Manufacturing
- Banking sector
- Health sector
- Media etc
- Law
- Transport
- Trade / commercial sector
- Sports
- Construction

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 / suppliers
- Government (local and central)
- Infrastructure
- Technology

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
- Conceptual skills
- Interpersonal skills
- Technical skills
- Communication
- Adapting skills
- Diagnosing skills
- Negotiation skills
- Leadership
- Time management skills

Any 4 x 1 marks

Distinguish between business idea and business opportunities.

(02 marks)

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

While

Business opportunities are identified situation's or chances that can be turned into real profitable businesses.

1 mark

2 marks

An active investment idea that provides a possibility of monetary return

(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. *affordability*
- It should be competitive.
- Should have reasonable returns ^{on} of capital investments.
- Availability of market *demand*
- Good growth and market potential
- Should be related to one's skills and ^{experience} expensive.
- Adequate support from the community. *support services / infrastructure*
- Reasonable ease of entry in the market.
- *flexibility*
- *Adequate support from e.g. govt*
- *Availability of appropriate technology*
- *Availability of resources*
- *Adequate support from e.g. govt*

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

any 4 x 1 marks
4 marks

(g) (i) Define the term tax compliance as used in taxation

(01 mark)

Tax ^{compliance} 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

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

(h) Determine

(3x1)

(i) Working capital ratio.

(3 marks)

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

But current Assets = debtors + bank balance + cash balance
 = 60,000 + 20,000 + 20,000
 = Shs. 80,000

But Current Liabilities = creditors + Bank overdraft
 = 40,000 + 20,000
 = Shs 60,000

Therefore Working capital ratio = $\frac{80,000}{60,000} = 2:1$

(ii) Interpret the results after.

(01 mark)

This means a business is able to pay.
 It current liabilities using it's current assets ³ two times.

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

(04 marks)

- Investors
- Banks / lenders
- 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.

(ii) Give any three qualifications for a company to be Listed. (03 marks)

- It should be duly incorporated.
- Must have it's 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 partnership 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.
- 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.
- The amount of payments to be given to unlimited partners.
- The liabilities of each partner.
- The procedure of dissolving the partnership.
- The signature of each partner.
- The name and signature of the witnesses.
- *Retiring a partner*
- *Loans extended by partner and interest on loans*
- *Drawing by partners and interest on drawings*
- *Duties and rights of the partners.*
- 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.
- Goods decisions can easily be made in partnership compared to sole *trade*.
- 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* ~~partnership~~ unlike in sole trade where the trader has unlimited liabilities.
- *There is a possibility of enjoying economies of scale in partnerships than in sole trade.*
- *Risks and losses are shared in partnerships than in sole trade*

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

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 facilitate portability of the products.
- To facilitate easy storage of the products
- To add value to the product.

Any 8x1
=8 marks

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

(12 marks)

- The cost of the packaging material.
- 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 business products.
- The attractiveness of the packaging material.
- The unit cost required per production life cycle.
- Means of transport to be used.
- Government policy on the choice of packaging material.
- Distance between the supplier and entrepreneur.
- Terms and conditions for payment.

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 *- demonstration*
- Handling objections
- Closing the sale
- Sales followup *- suggesting the sale is encouraging some one to buy more or another product that accompanies post sale activities*

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.
- It improves the relationship between the business and its customers.
- Creates confidence and *mutual* trust between the sales person and the customers.
- It saves customers from being exploited by the middlemen inform *of* 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)

(a) Outline any four sources of recruitment of employees. (04 marks)

- Talent spotting */ Head hunting*
- Advertising in the media *- referrals*
- Visiting institutions *- Private employment agencies*
- Using labour union *- Competing organisations*
- Using previous applicants.
- Present employees
- Using website
- Through promotions.

- *Transfer*
- *Demotion*
- *Institutions of higher learning*
- *Networking (relative and friends of current employees)* (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 */ physical attributes*
- 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.
- Location of the employee
- Religion

(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~~ law / Act
- Trade license Act
- Employment Act / workers 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 or the bureaucratic tendencies (procedures) of business registration.
- Translating business laws into major languages that are easy to understand

(Any 8 x 1)

END