

Paper 3
MARKING GUIDE

SECTION A: CASE STUDY

1. a) Indicators of a good business opportunity that Kiprotich's business has.

- Availability of market
- Availability of technical skills
- Availability of required resources
- Reasonable returns on investment

Any 4 x 1 = 04marks

b) Challenges of family businesses that the business is likely to face.

- Family emotions
- Informality of activities
- Challenge of compensating members
- Role confusion
- Poor management
- Poor succession planning
- Poor retirement planning
- Limited training
- Conservation of some members
- Challenges of communication
- Difficulties of decision making

Any 7 x 1 = 7 marks (mentioning ½ mark, evidence ½ mark)

c) Prerequisites of the entrepreneurial environment which Kiprotichs business faces.

- Shortage of resources
- Flexibility
- Uncertainties
- Opportunity orientation

Any 4 x 1 = 4 marks

d) Advise Kiprotich on the benefits of tax compliance.

- To provide revenue for government
- Protection of infant industries
- Improvement of B.O.P of a country
- Check on inflation in the country
- To control monopoly power
- Discourage exportation of some commodities
- To encourage hard work
- Reducing dependence on other countries

Any 6 x 1 = 6 marks

e) Benefits of investing in shares of other companies that Kiprotich intends to do

- Enjoyment of a share of dividend
- Acquiring voting rights
- Obtaining collateral security
- Obtaining capital gains

4 x 1 = 4 marks

SECTION B
SCHOOL BUSINESS CLUB

Answer at least ONE question from this section

2. a) The business that you carried out.

Business name and address

- Business location
- Purpose of the business i.e. vision, mission, goals and objective
- Goods or service offered
- Customers of the business
- Nature of ownership
- SWOT analysis
- Uniqueness of the business
- Date of establishment
- Description of assets

4 x 1 = 4 marks

b) Procedures followed when ordering for materials in your project

- Determining business needs
- Identifying potential suppliers
- Contracting suppliers
- Selecting the best supplier
- Ordering for goods
- Checking goods as soon as they are received
- Checking the invoice for accuracy
- Making payment

6 x 1 = 6marks

Evidence is a must (mentioning ½, evidence ½)

c) Reasons why people resisted change in your business club

- Change benefited some and hurt others
- It was costly expensive
- It is time consuming
- Some people took pride in being stubborn

- For security purposes
- Inability to cope with change

4 x 2 = (08marks)

Evidence is vital; (mentioning 1/2, evidence 1/2)

d) Tools used to monitor the operations of your project.

- Sales targets
- Production targets
- Cash flow statements
- Departmental reports
- Books of accounts
- Sources of business funds
- Balance sheet
- Work order forms
- Work schedules
- Operational budgets

7 x 1 = (07 marks)

Evidence is vital; (mentioning 1/2, evidence 1/2)

3. a) Purpose of your school project

- To become the leading producers of
- To become the number one suppliers of

Examples of mission statements 1 x 1 = 01 mark

- To provide affordable
- To provide the best quality.....

Examples of mission statements 1 x 1 = 01 mark

- Market share or customer base
- Cost minimization
- Profit level
- Quality improvement
- Packaging
- Skill development

NB: Objectives should be SMART (less than one year)

Goals should be SMART (more than one year)

b) How you managed cash resources

- Cash received by the cashier was properly counted and checked
- All cash received was receipted
- All cash received was banked
- All cash outflows were documented and authorized by the official
- All receipts and other documents were safely kept
- All cash at business premises was kept in a lockable
- There was no spending business funds on personal matters

- Bank statements were received regularly

$6 \times 1 = 6 \text{ marks}$

Evidence is a must; (mentioning $\frac{1}{2}$, evidence $\frac{1}{2}$)

c) (i) Measures the business puts in place to show good business ethics

- Being honest to customers
- Showing courtesy to customers
- Showing responsibility
- Giving employees a fair pay
- Providing good working environment
- Being polite to workers
- Conserving the environment
- Observing society norms
- Sharing society needs
- Providing employment opportunities
- Meeting government quality set standards

$5 \times 1 = 5 \text{ marks}$

Evidence is vital; (mentioning $\frac{1}{2}$, evidence $\frac{1}{2}$)

(ii) Properly manage competition

- Planning strategic business location
- Proper planning to avoid depletion of stock
- Effective advertising
- Maintaining good customer care
- Motivating workers
- Using appropriate distribution channel
- Provision of a variety of products
- Provision of quality product

$6 \times 1 = (6 \text{ marks})$

Evidence is a must; (mentioning $\frac{1}{2}$, evidence $\frac{1}{2}$)

d) Documents you used for internal communication in the business

- Letter
- Memos
- Circular
- Notices
- Reports

$4 \times 1 = 4 \text{ marks}$

Evidence is vital; (mentioning $\frac{1}{2}$, evidence $\frac{1}{2}$)

SECTION C
FIELD ATTACHMENT OR FIELD TRIP

4. a) General description of the business

- Name and address of the business
- Business location
- Purpose of the business
- Products offered
- Date of establishment
- Nature of ownership
- Target customers
- Description of assets
- Uniqueness of the business
- SWOT analysis

4 x 1 = 4 marks

b) How the business you were attached ensured efficient time management.

- Spending time planning and organizing
- Settling goods
- Providing goals and setting deadlines
- Creating and using a to do list
- Being flexible
- Doing the right things right
- Eliminating the urgent
- Avoiding being a perfectionist
- Learning to say no
- Rewarding yourself

6 x 1 = 6marks

Evidence is a must; (mentioning ½, evidence ½)

c) Challenges faced by the business you were attached to.

- Limited capital
- High taxation
- Price fluctuation
- Shortage of raw materials
- Limited skilled labour
- Power irregularities
- High labour turn over
- Stiff competition
- High operational costs
- Poor transport and communication
- Bad weather conditions

7 x 1 = 7 marks

d) Ways of increasing their morale.

- Paying them promptly
- Providing fringe benefits
- Carrying out performances appraisals
- Providing better working conditions
- Involving workers in decision making
- Open communication with workers
- Ensuring job security
- Recommending workers for visas
- Providing training schemes
- Prompting hard working employees
- Organizing staff get together parties
- Giving rewards to hard working employees

4 x 1 = 4 marks

5. a) A SWOT analysis of the business that you visited

Strengths

- Ready market from club members
- Entrepreneurial skills from members
- Adequate start up capital from members
- Security from members

Any 1 x 1 = 1mark

Weakness

- Inappropriate distribution of products
- Poor time management
- Un co-operative members
- Poor quality products
- Limited entrepreneurial skills

Any 1 x 1 = 1mark

Opportunities

- Increasing number of students or market
- Security from security guard
- Financial support from parents
- Favourable government policies
- Availability of imports

Any 1 x 1 = 1 mark

Threats

- Changing tastes and preferences
- Limited time of operation
- Price fluctuations
- Insecurity
- Reducing number of students

- Limited spaces
- High operational costs

Any 1 x 1 = 1 mark

b) How the business ensure proper maintenance of its productive machines tools and equipment

- Training workers regularly how to use machines
- Regular servicing of machines
- Putting instructions on how to use machines
- By oiling moving parts
- Regular servicing of machines
- Switching off machines when not in use
- Supervising and monitoring worker
- Ensuring machines are in good order before switching them on

6 x 1 = 6marks

Evidence is a must; (mentioning ½, evidence ½)

c) (i) Personal attributes of a good negotiator

- Integrity
- Empathy
- Patience
- Self assurance
- Self confidence
- Tenacity
- Stamina
- Ingenuity

5 x 1 = 5 marks

(ii) Keys to successful negotiation.

- You do not have to be right to settle
- Look at the future Focus on the goal
- Set the tone and look at the part
- Be prepared to make research
- Know what you want or others party wants
- Always have plan B

5 x 1 = 5mark

d) What promotional strategies were employed by the business visited?

- Providing quality products
- Having knowledge of the products
- Selling on credit
- Giving free samples
- Proper packaging
- Being polite to customers

- Offering discounts
- Advertising after sales services
- Giving gifts or trade stamps
- Organizing competitions
- Opening up new sales points
- Branding
- Personal selling
- Giving special price offers
- Participating in trade fairs and exhibitions
- Window displays
- Donations or sponsorships
- Giving coupons

5 x 1 = 5marks

Evidence is a must; (mentioning 1/2, evidence 1/2)

END