

# MATIGO EXAMINATIONS BOARD



P230/3

## ENTRPRENEURSHIP EDUCATION MARKING GUIDE 2023 PAPER 3

Qn	Answer	marks
1	<p><b>QUESTION 1(a)</b></p> <p><b>The executive summary of the business plan of Asasira and Kusasira should include among others the following:</b></p> <ul style="list-style-type: none"><li>• The business strategy for success</li><li>• A Concise account for the management team's qualifications that make the business successful.</li><li>• A brief description of the market and how the products are different from those of the competitors</li><li>• A brief description of the products / services offered</li><li>• The predicted expansion and growth of the business.</li><li>• An estimate of the amount of the funds needed.</li><li>• A statement of how the business money will be used and how lenders/investors will get their money back.</li><li>• Brief description of key owners of the business</li></ul> <p style="text-align: right;"><b>Any 5*1 mark =05marks</b></p>	

<b>(b)</b>	<p><b>The aspects of business operations Asasira and Kusasira could have used to win competition include the following.</b></p> <ul style="list-style-type: none"> <li>• Settling right sales prices.</li> <li>• Advertising their products.</li> <li>• Ensuring good customer care</li> <li>• Improving business image.</li> <li>• Ensuring competitive pricing at all times without advertising special sales.</li> <li>• Lowering the costs involved in the provision on the product.</li> <li>• Improving the quality of the products</li> <li>• Selling the products on credit basis to trustworthy customers.</li> </ul> <p style="text-align: right;"><b>Any 5*1 mark =05marks</b></p>	
<b>(c)</b>	<p><b>(c) Factors the proprietors of the business mentioned above might have considered when choosing packaging materials include:</b></p> <ul style="list-style-type: none"> <li>○ Cost of the packaging material.</li> <li>○ Environmental legal issues.</li> <li>○ Type/Nature of the products to be packaged</li> <li>○ Availability of the packaging material.</li> <li>○ Quality of the products</li> <li>○ Source of packaging materials.</li> <li>○ Means of transport to be used.</li> <li>○ Size/amount of the product.</li> <li>○ Purpose of packaging.</li> </ul> <p>Any 3*1mark=03marks</p>	
<b>(d)</b>	<p><b>Benefits Asasira and Kusasira enjoyed by investing in collective investment schemes included.</b></p> <ul style="list-style-type: none"> <li>• Diversification hence reducing the risks of investing</li> </ul>	

	<ul style="list-style-type: none"> <li>• Easy performance monitoring.</li> <li>• There is professional management from the professional managers who are experienced and skilled.</li> <li>• Results into lower transaction cost.</li> <li>• Provides investor protection.</li> <li>• Flexibility of the scheme.</li> <li>• It allows redemption of shares at anytime</li> </ul> <p style="text-align: right;"><b>Any 5*1 mark=05marks</b></p>	
<b>(e)</b>	<p><b>The distribution channel used in the case study is the short channel of distribution.</b>  The following the importance of this channel of distribution.  It minimizes the risks  It captures a bigger market  It maximizes sales  It's convenient to operate  Ensures customer loyalty/ maintains the market  Maximizes profits.  Minimizes costs</p> <p style="text-align: right;"><b>Any 5*1mark=05marks</b></p>	
<b>(f)</b>	<p><b>(f) The costs of labour turnover Asasira and kusasira avoided by motivating staff include:</b></p> <ul style="list-style-type: none"> <li>○ Loss of sales e.g. especially there is high labour turnover among the sales agents.</li> <li>○ Increased costs of the enterprise e.g. increased expenses of training, selecting and replacement of employees</li> <li>○ Additional recruitment costs.</li> <li>○ Lowing the productivity of an organization i.e. when morale and attitude of staff worsens</li> <li>○ Loss of know-how and customer good will</li> <li>○ Distortion of business image /reputation.</li> </ul>	

	<ul style="list-style-type: none"> <li>○ Difficulty in business planning especially at implementation stage</li> <li>○ Wastage due to low morale among workers.</li> <li>○ Limited business growth.</li> </ul> <p style="text-align: right;"><b>Any 2*1mark= 02marks</b></p>	
	<p><b>QUESTION 2</b></p> <p><b>(a)General description of the business project should include:</b></p> <p>Name and address of the business.  Nature of the business.  Uniqueness of the business.  Product/services offered  Purpose of the business  Customers of the business.  Location of the business  Date of the business establishment  Sources of business capital  Description of business assets  SWOT analysis</p>	
<b>(b)</b>	<p><b>Description of the duties that were performed by the enterprise financial manager should include:</b></p> <p>Collecting and receiving of all project money e.g sales money, capital contribution etc.  Keeping safely project money or banking of regular cash flows  Marking authorised payments on behalf of the project.  Preparing relevant books of accounts and keeping them safely.  Preparing of the project financial statements.  Being a co- signatory to all financial transactions like signing of the cash issued for payment.  Advising the enterprise members on the project financial matters i.e. management of cash.</p>	
<b>(c)(i)</b>	<b>Mission statement of the business project should</b>	

	<p>Clearly state the needs of the customers/market and how those needs were testified.</p> <p><b>Example:</b></p> <p>"To produce /provide high quality eggrolls to the customers by using high quality production by using high quality production inputs"</p> <p>1mark for correct mission</p>	
(ii)	<p><b>Goals of the project may include:</b></p> <ul style="list-style-type: none"> <li>○ To increase market share/expand customer base by                      by end of                      years</li> <li>○ To increase profit level or margin by / within                      years.</li> <li>○ To increase sales of                      by                      by                      years.</li> <li>○ To minimize/reduce production costs by                      with in or by                      "</li> <li>○ To increase out/ production of                      within                      "</li> <li>○ To train /promote skill development of the enterprise members by                      years"</li> </ul> <p>NB:</p> <ul style="list-style-type: none"> <li>○ All the goals must be "SMART"</li> <li>○ Goal time frame must be beyond 1 year</li> </ul> <p>Any 3*1mark= 03marks</p>	
(iii)	<p><b>The core values of the project may include:</b></p> <ul style="list-style-type: none"> <li>○ Quality</li> <li>○ Professionalism</li> <li>○ Integrity</li> <li>○ Responsibility</li> <li>○ Honesty</li> <li>○ Transparency and accountability</li> <li>○ Good customer care.</li> </ul>	

	<ul style="list-style-type: none"> <li>○ Punctuality and commitment.</li> </ul> <p style="text-align: right;"><b>any 3*1= 03marks</b></p>	
<b>(d)</b>	<p><b>Elements that helped to create an effective personal brand for their business project include:</b></p> <ul style="list-style-type: none"> <li>○ Leadership</li> <li>○ Distinctiveness</li> <li>○ Visibility</li> <li>○ Personality</li> <li>○ Unity</li> <li>○ specialization</li> <li>○ Goodwill</li> <li>○ persistence</li> </ul> <p style="text-align: right;"><b>Any 6*1=06marks</b></p>	
<b>(e)</b>	<p><b>Procedures that were followed to establish the project include:</b></p> <ul style="list-style-type: none"> <li>● Getting sensitization from Entrepreneurship Education subject teacher.</li> <li>● Selling the idea of forming a business club to the school administration and getting permission to go ahead.</li> <li>● Electing the enterprise executives.</li> <li>● Generating a business idea by the enterprise members and selecting the most appropriate business idea.</li> <li>● Writing down all the requirements for implementing the business idea.</li> <li>● Preparing a business plan for the selected business opportunity as well as the contribution.</li> <li>● Mobilizing of the required funds for starting the business project</li> </ul>	

	<ul style="list-style-type: none"> <li>• Selecting the project location and site.</li> <li>• Purchasing of the required machines, tools, and equipment plus other inputs.</li> <li>• Carrying out pre test production.</li> <li>• Publicizing of the [project and its products</li> <li>• Launching of the business project.</li> <li>• Starting commercial production.</li> </ul> <p style="text-align: right;"><b>Any 5*1=05marks</b></p> <p>NB: These procedures must be in chronological order</p>	
<b>3(a)</b>	<p><b>Question 3(a)</b></p> <ul style="list-style-type: none"> <li>○ General description of the business shall include:</li> <li>○ Name and address of the business.</li> <li>○ Nature of the business Uniqueness of the business.</li> <li>○ Products or services offered.</li> <li>○ Purpose of the business.</li> <li>○ Customers served.</li> <li>○ Location of the business.</li> <li>○ Sources of capital for a business.</li> <li>○ Date of establishment.</li> </ul> <p style="text-align: right;"><b>Any 4*1 mark= 04marks</b></p>	
<b>(b)</b>	<p><b>Time was wasted in the following ways in the business</b></p> <ul style="list-style-type: none"> <li>○ Allowing too many interruptions.</li> <li>○ Being disorganized.</li> <li>○ Talking with members about personal matters not connected with business activities.</li> <li>○ Engaging in little or no delegation.</li> </ul>	

	<ul style="list-style-type: none"> <li>○ Having unnecessary or extra-long meetings.</li> <li>○ Being late or absent for enterprise activities.</li> <li>○ Being indecisive.</li> </ul> <p>Any 4*1mark=04 marks</p>	
(c)	<p><b>The factors that favored the establishment of the business project include:</b></p> <ul style="list-style-type: none"> <li>• Support from school administration and management.</li> <li>• Availability of market/ demand.</li> <li>• Presence of security. Existence of space/ premises. Availability of raw materials/ inputs.</li> <li>• Availability of funds /start up capital.</li> <li>• Ability to manage the business</li> </ul> <p>Any 5*1mark =05marks</p>	
(d)	<p>3(d)</p> <p><b>Steps followed to determine the profitability of the business project ia as follows.</b></p> <p>Deciding on the nature /type of business to establish .</p> <p>Choosing a location.</p> <p>Forecasting the sales.</p> <p>Estimating the costs.</p> <p>Estimating the profit</p> <p>ANY 4*1MARK= 04MARKS</p>	
(e)(i)	<p><b>Risks encountered by the business project include:</b></p> <ul style="list-style-type: none"> <li>✓ Change in demand in favor of the competitors products.</li> <li>✓ Shortage of capital.</li> <li>✓ Shortage of inputs</li> </ul>	



	<ul style="list-style-type: none"> <li>✓ Loss of skill manpower.</li> <li>✓ Production of low quality products.</li> <li>✓ Limited time to carryout project activities.</li> <li>✓ High levels of competition.</li> <li>✓ Perishability of business products.</li> <li>✓ Bad debts</li> <li>✓ Unfavorable change in technology.</li> <li>✓ Theft of business funds/financial loss</li> <li>✓ Faulty management decisions</li> <li>✓ Harsh climatic conditions</li> <li>✓ Fire outbreak.</li> <li>✓ Machinery breakdown.</li> </ul> <p>Any 4*1mark=04marks.</p>	
(ii)	<p><b>Ways used to manage risks in business include:</b></p> <ul style="list-style-type: none"> <li>✓ Employing experiences and skill workers.</li> <li>✓ Training of enterprise members</li> <li>✓ Improving the quality of the products</li> <li>✓ Maintaining good customer care.</li> <li>✓ Maintaining good employee relations</li> <li>✓ Sourcing reliable and cheaper sources of raw materials.</li> <li>✓ Maintaining and upgrading production technology.</li> <li>✓ Maintaining adequate security.</li> <li>✓ Banking regularly business cash.</li> <li>✓ Looking for alternative sources of capital. Construction of a shade from to carryout production activities.</li> </ul>	

	<ul style="list-style-type: none"> <li>✓ Installing fire extinguishers.</li> <li>✓ Selling business products strictly on cash basis etc.</li> </ul> <p style="text-align: right;"><b>Any 4*1= 04marks</b></p>	
<b>(4)(a)(i)</b>	<p><b>The general description of the business attached to is as follows.</b></p> <p>Name and address of the business.</p> <p>Nature of the business.</p> <p>Uniqueness of the business.</p> <p>Products produced by the business.</p> <p>Purpose of the business</p> <p>Customers of the business.</p> <p>Location of the business.</p> <p>Date of the business establishment.</p> <p>Sources of business capital.</p> <p>Description of business Assets.</p> <p>Any 4*1mark=04marks</p> <p>(b)(i) The description of the target customers of the business is as follows.</p> <ul style="list-style-type: none"> <li>○ Location of the customers.</li> <li>○ Income levels of customers.</li> <li>○ Leisure activities of the customers.</li> <li>○ Occupation of the target customers.</li> <li>○ Usage of</li> </ul> <ul style="list-style-type: none"> <li>✓ Usage of the products by the customers</li> <li>✓ Occupation of the target customers.</li> <li>✓ Sex/gender of the target customers.</li> </ul>	

	<p>✓ Age of the customers.</p> <p style="text-align: right;"><b>Any 3*1mark = 03marks</b> <b>Evidence is a must.</b></p>	
(ii)	<p><b>Marketing techniques employed by the business attached to include.</b></p> <ul style="list-style-type: none"> <li>○ Effective communication</li> <li>○ Promotions and advertising.</li> <li>○ Proper display.</li> <li>○ Marketing decision making.</li> <li>○ Personal selling.</li> <li>○ Negotiations.</li> <li>○ Offering discounts/price reductions.</li> <li>○ Quality improvement.</li> <li>○ Favorable pricing policies and strategies</li> <li>○ Market research.</li> </ul> <p style="text-align: right;"><b>Any 3*1 mark= 03marks</b> <b>Evidence is a must.</b></p>	
(c)	<p><b>Activities the students were involved in while on field attachment include:</b></p> <ul style="list-style-type: none"> <li>✓ Purchasing business materials.</li> <li>✓ Carryout production of business products.</li> <li>✓ Selling business products.</li> <li>✓ Advertising business products</li> <li>✓ Documentation of business transactions.</li> <li>✓ Preparing work schedules.</li> </ul>	

	<ul style="list-style-type: none"> <li>✓ Packaging business products.</li> <li>✓ Storing of the products.</li> <li>✓ Branding products.</li> <li>✓ Installing equipment.</li> <li>✓ Cleaning of business premises</li> <li>✓ Receiving and handling customers</li> </ul> <p style="text-align: right;"><b>Any 3*1mark=03marks</b></p>	
<b>(d)(i)</b>	<p><b>Production costs of the business attached to include.</b></p> <ul style="list-style-type: none"> <li>✓ Wages /salaries (labour costs)</li> <li>✓ Utility costs like power, water</li> <li>✓ Raw material costs.</li> <li>✓ Machine repair and maintenance</li> <li>✓ Depreciation of production machines.</li> <li>✓ Stationery costs.</li> <li>✓ Communication costs like Airtime.</li> <li>✓ Taxes e .g VAT.</li> <li>✓ Transport cost for production materials.</li> <li>✓ Advertising and promotion costs</li> </ul> <p style="text-align: right;"><b>Any 3*1mark = 03 marks</b></p>	
<b>(ii)</b>	<p><b>Advice to the proprietor of the business attached to on how to minimize production costs is as follows.</b></p> <ul style="list-style-type: none"> <li>○ Employing skilled and experienced labour.</li> <li>○ Ensuring close supervision and monitoring</li> <li>○ Use of cheap but quality raw materials.</li> </ul>	

	<ul style="list-style-type: none"> <li>○ Use of appropriate and modern technology.</li> <li>○ Laying off redundant labour.</li> <li>○ Lobbying for subsidies and low tax rates.</li> <li>○ Paying labour wages.</li> <li>○ Reducing fringe benefits for labour.</li> <li>○ Employing few workers.</li> <li>○ Minimizing credit sales.</li> <li>○ Improving the quality of products and services to cut down the advertising cost.</li> </ul> <p><b>Any 3*1mark =03marks</b></p>	
<b>(e)</b>	<p><b>The contribution of the community to the business off attachment is as follows</b></p> <ul style="list-style-type: none"> <li>▪ Offering market for business products/source of market.</li> <li>▪ Offering land/space/premises for business activities.</li> <li>▪ Providing security.</li> <li>▪ Source of labour.</li> <li>▪ Source of raw materials.</li> <li>▪ Provision of support services like transport, insurance</li> <li>▪ Source of capital.</li> <li>▪ Source of information for research</li> </ul> <p style="text-align: right;"><b>Any 6*1mark =06marks</b></p>	
<b>5(a)(i)</b>	<p><b>QUESTION 5.</b></p> <p><b>(a) Objectives of the field trip include:</b></p> <ul style="list-style-type: none"> <li>➤ To expose learners to the business world.</li> <li>➤ To relate theory to practical work</li> <li>➤ To introduce learners to field research.</li> <li>➤ To visualize what takes place in the enterprise.</li> </ul>	

		<b>Any 2*1mark = 02marks</b>	
<b>(ii)</b>	<b>Description of the business visited should include:</b> <ul style="list-style-type: none"> <li>➤ Name and address of the business.</li> <li>➤ Nature of the business.</li> <li>➤ Uniqueness of the business</li> <li>➤ Products offered.</li> <li>➤ Purpose of the business.</li> <li>➤ Customers of the business.</li> <li>➤ Location of the business</li> <li>➤ Date of business establishment.</li> <li>➤ Sources of business capital.</li> </ul>	<b>Any 2*1mark =02marks</b>	
<b>(iii)</b>	<b>Lay out drawn for the business may include</b> <ul style="list-style-type: none"> <li>➤ Entry/exit gate</li> <li>➤ Security checkpoint.</li> <li>➤ Parking yard.</li> <li>➤ Reception /administration block</li> <li>➤ Inspection room</li> <li>➤ Maintenance room</li> <li>➤ Employee facilities.</li> <li>➤ Water source/tank</li> <li>➤ Power/generator room.</li> <li>➤ Production unit room.</li> <li>➤ Store.</li> <li>➤ Grading, weighing, packaging, branding room.</li> </ul>		

	<p>➤ Waste disposal unit.</p> <p style="text-align: right;"><b>Any 3*1mark = 03marks</b></p>	
<b>(b)</b>	<p><b>Ways of managing cash resources by the business include:</b></p> <ul style="list-style-type: none"> <li>• Documenting of cash paid and received.</li> <li>• Banking all cash received.</li> <li>• Cash in hand is kept under lock.</li> <li>• Cash payments are authorized by the entrepreneur</li> <li>• Monitoring all workers in cash department /receiving cash.</li> <li>• Proper counting of cash received and paid.</li> <li>• Employing auditors to check for errors and fraud in the books of accounts.</li> <li>• Avoiding spending business cash on personal private matters.</li> <li>• Receiving bank statements on monthly basis and comparing with the cash book records</li> </ul> <p style="text-align: right;"><b>Any 3*1mark= 03marks.</b></p>	
<b>(c)(i)</b>	<p><b>Business opportunities the owner of the business visited can exploit include</b></p> <ul style="list-style-type: none"> <li>• Retail business.</li> <li>• Wholesale businesses.</li> <li>• Processing /manufacturing businesses</li> <li>• Service businesses like transport, insurance, banking,</li> <li>• Agri-businesses.</li> <li>• Institution of learning i. e schools.</li> <li>• Construction businesses.</li> <li>• Rental business.</li> </ul> <p><b>Any 5*1mark = 05 marks</b></p>	
<b>(ii)</b>	<b>Advice to the proprietors of business opportunity.</b>	

	<ul style="list-style-type: none"> <li>• Good income potential /acceptable returns on investment</li> <li>• Low moderate startup capital</li> <li>• Good growth potential</li> <li>• Availability of market.</li> <li>• Reasonable ease of entry into the market.</li> <li>• Should be related to one's skills.</li> <li>• Properly timed</li> <li>• Good market scope.</li> <li>• Any 4*1=04marks</li> </ul>	
(d)	<p><b>Ways /measures used by the business visited to promote quality of products/services include:</b></p> <ul style="list-style-type: none"> <li>• Carrying out market research</li> <li>• Employing skilled manpower</li> <li>• Monitoring and supervising of the production process</li> <li>• Selection and use of appropriate technology.</li> <li>• Using high quality raw materials.</li> <li>• Ensuring proper sale and distribution of the products.</li> <li>• Following the technical specifications regarding quality</li> <li>• Ensuring proper and immediate packaging of business products.</li> <li>• Using proper storage facilities.</li> <li>• Training of labour regularly</li> <li>• Ensuring a clean working environment.</li> </ul> <p style="text-align: right;"><b>Any 3*1mark =03marks</b></p>	
(e)	<p><b>Business visited copes with change to overcome business failure by employing the following four step basic decision in asking techniques.</b></p> <ul style="list-style-type: none"> <li>• Understanding the situation</li> </ul>	



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|--|--|--|
|  | <ul style="list-style-type: none"><li>• Defining the problem</li><li>• Finding alternatives</li><li>• Selecting the action to take</li></ul> |  |
|--|--|--|

. Any 3\*1mark =03marks

**END**

