

# WAKISSHA JOINT MOCK EXAMINATIONS

## MARKING GUIDE

Uganda Advanced Certificate of Education  
ENTREPRENEURSHIP EDUCATION P230/3

July/August 2023



### SECTION A-CASE STUDY

1. a) Factors that influenced Aninna's business opportunity.

- Business risks i.e an entrepreneur selects a business idea with moderate or calculated risks.
- Profitability / return on investment / return on capital of the business.
- Availability of raw materials.
- Availability of labour.
- Level of competition.
- Government policy in regard to the business idea.
- Availability of infrastructure and services.
- Good business location.
- Level of acceptability of the planned business by the community.
- Availability of required technology.
- Availability of land.
- Ready Market / demand .
- Availability Capital .
- Possession of the required Skills .

(Any 5 x 1 = 05 marks)

(b) Innovations made by Aninna clays limited that helped it to succeed.

- Product innovation i.e introduced a business making iron sheets, charcoal stone.
- Marketing innovation i.e she increases advertising of its products.
- Process innovation i.e increased output of the products.
- Organisation innovation i.e introduced regular communication with the old and new customers.
- Opening up new branches.
- Using machines.
- Change of business location .
- Lobbying for government financial support .
- Painting and furnishing clay products .
- Recruiting experienced workers .

(Any 3 x 1 = 03 marks)

N.B: A student who brings out types of innovation, must attach evidence.

(c) Reasons that contributed to company's market decline.

- Decline in the quality of the products.
- Shift of the business ~~move~~ to a new location.
- Increase in prices of the products due to increased cost of production i.e transport of raw materials in new location.
- Increase in competition.
- Loss of experienced employees (labour turnover).
- Introduction of new products i.e echo products.
- Decline in the level of output / quantity.
- Poor handling of customers .
- Over expansion of the business

N.B: Evidence is a must.

(Any 4 x 1 = 04 marks)

(d) Threats of Aninna clays limited.

- Exhaustion of raw materials.
- Stiff competition.
- Government policy of reserving wetlands.
- Increase in prices of products. *Cost of raw Materials*
- Increased labour turnover.

N.B: Evidence is a must.

(Any 3 x 1 = 03marks)

e) (i) Factors that contributed to labour turnover.

- Inadequate / too low wages.
- ~~New levels of motivation poor morale.~~
- Delayed payment of salaries / wages.
- Job insecurity ~~or lack of appointment letter~~.
- Lack of appreciation for worker's effort or contribution towards organizational development.
- Failure to involve workers in decision making.
- ~~Mismanagement of employees by immediate supervisor's e.g sexual harassment.~~
- ~~Wage differences.~~
- ~~Poor working conditions and facilities e.g lack of meals, toilets, long working hours etc.~~
- ~~Excessive workload.~~
- *Better opportunities elsewhere.*
- *Change in business location.*
- *Change in technology.*

(Any 4 x 1 = 04 marks)

(ii) Consequences of labour turnover to Aninna clays limited.

**Positive**

- New employees come with skills and knowledge.
- Hard work among new employees.
- It enables the business to get rid of indiscipline / less productive workers.
- It gives management an opportunity to restructure departments.
- *New employees accept low payments.*
- *Flexibility of new workers.*

(Any 3x 1 = 03marks)

**Negative**

- It is costly in terms of additional recruitment cost required.
- It leads to potential loss of sales especially for turnover among sales force.
- Causes loss of customers and customer goodwill.
- It leads to increased cost of training *of* the replaced workers.
- *Poor business image*
- *low productivity.*
- *Possibility of mistakes*

(Any 3x 1 = 03marks)

- *Makes business planning difficult.*
- *Affects revenue.*

## SECTION B - SCHOOL BUSINESS CLUB

2. a) General description of the project.
- Business name, address, contact.
  - Business location.
  - Products / services offered.
  - Target customers / market.
  - Date of establishment. *Q 2023/2023*.
  - Nature / legal form of the business. *e.g*
  - Description of fixed assets.
  - Sources of capital/ funds of the business. *in a figure in amount (5k)*
  - Uniqueness of the business.
  - Statement of vision, mission Goals and objectives i.e. Purpose of the business.
  - ~~Purpose of the business.~~
  - SWOT analysis.

(Any 4x 1 = 04marks)

- (b) How proper cash management led to production of quality products.
- Used the funds available to purchase quality raw materials which guaranteed production of quality products.
  - Used the funds available to train members by inviting a skilled personnel to train members.
  - Used the available funds to buy and maintain machines which led to production of quality products.
  - Used funds available to motivate members which improved their performance hence production of quality products.
  - Used the funds available to carryout market research to get information on production of quality products.
  - Used funds available to hire skilled personnel that could efficiently produce quality products.
  - Used funds available to purchase quality packaging material that helped to maintain the quality of the products.
- Ensuring cleanliness.*  
*- Storage facilities.*  
*- following required Standards set by UNBS.*  
*- Effective supervision & Monitoring*

(Any 4 x 2 = 08marks)  
Evidence is a must

- (c) Steps taken in determining profitability of the business.
- Deciding on the type of the business i.e either merchandising or service or manufacturing.
  - Choosing location for the business i.e either rural urban location.

## SECTION B - SCHOOL BUSINESS CLUB

2. a) General description of the project.
- Business name, address, contact.
  - Business location.
  - Products / services offered.
  - Target customers / market.
  - Date of establishment. *& 2022/2023*.
  - Nature / legal form of the business. *cy*
  - Description of fixed assets.
  - Sources of capital/ funds of the business. *& a figure in amount (sh)*
  - Uniqueness of the business.
  - Statement of vision, mission Goals and objectives i.e. Purpose of the business.  
~~Purpose of the business.~~
  - SWOT analysis.
  - 
  - 
  - 
  - 
  - 
  - 
  -

(Any 4x 1 = 04marks)

- (b) How proper cash management led to production of quality products.
- Used the funds available to purchase quality raw materials which guaranteed production of quality products.
  - Used the funds available to train members by inviting a skilled personnel to train members.
  - Used the available funds to buy and maintain machines which led to production of quality products.
  - Used funds available to motivate members which improved their performance hence production of quality products.
  - Used the funds available to carryout market research to get information on production of quality products.
  - Used funds available to hire skilled personnel that could efficiently produce quality products.
  - Used funds available to purchase quality packaging material that helped to maintain the quality of the products.

- Ensuring Cleanliness.
- Storage facilities.
- following required Standards set by UNBS.
- Effective supervision & Monitoring

(Any 4 x 2 = 08marks)  
Evidence is a must

- (c) Steps taken in determining profitability of the business.
- Deciding on the type of the business i.e either merchandising or service or manufacturing.
  - Choosing location for the business i.e either rural urban location.

- Forecasting the sales i.e estimating the size of the market.
- Estimating the costs. This involves cost of the goods, wages, advertising, taxes power, loan payment and rent.
- Estimating the profits. This is calculated by getting estimated sales less costs.
- 
- 
- 
- 

(Any 5x 1 = 05marks)  
Evidence is a must

- (d) (i) Challenges faced in carrying out sales promotion.

- Increasing number of newspapers.
- Language differences.
- Limited infrastructures.
- ~~Poor listening~~
- High cost of advertising.
- Low profit level.
- Having many radio stations.
- Low interest by people for newspapers.
- Low levels of education of the population.
- Social cultural and religious rigidities e.g some are against adverts.
- ~~Limited time~~
- ~~Sabotage from Competitors~~
- ~~Inadequate skills~~
- ~~Inadequate tools e.g Catalogues, files~~

~~- Too High demand for labour~~

(Any 4x 1 = 04marks)  
Evidence is needed

- (ii) How challenges mentioned in d(i) minimized.

N.B: Candidate(s) must bring a challenge and how it was minimized.

(Any 4x 1 = 04marks)  
Evidence is needed

## SECTION B: SCHOOLBUSINESS CLUB

3. (a) A plan showing a business overview.

- Background of the business.
- Objectives of the business.
- The products or services the business offered.
- An overview of the products.
- The vision and mission statement of business.
- The competitive advantage of the business.
- The project growth.
- The key members of the business.
- Funding requirements of the business.
- Future plans.
- Brief over view of the market for the products and services.
- 
- 
- 
- 

(Any 4 pts x 1 = 04marks)

- Forecasting the sales i.e estimating the size of the market.
- Estimating the costs. This involves cost of the goods, wages, advertising, taxes power, loan payment and rent.
- Estimating the profits. This is calculated by getting estimated sales less costs.
- 
- 
- 

(Any 5x 1 = 05marks)  
Evidence is a must

- (d) (i) Challenges faced in carrying out sales promotion.

- Increasing number of newspapers.
- Language differences.
- Limited infrastructures.
- ~~Poor listening~~
- High cost of advertising.
- Low profit level.
- Having many radio stations.
- Low interest by people for newspapers.
- Low levels of education of the population.
- Social cultural and religious rigidities e.g some are against adverts.

*- Too high demand for samples*

*- Limited time*

*- Sabotage from Competitors*

*- Inadequate Skills*

*- Inadequate tools e.g Catalogues, files* (Any 4x 1 = 04marks)  
Evidence is needed

- (ii) How challenges mentioned in d(i) minimized.

N.B: Candidate(s) must bring a challenge and how it was minimized.

(Any 4x 1 = 04marks)  
Evidence is needed

## SECTION B: SCHOOLBUSINESS CLUB

3. (a) A plan showing a business overview.

- Background of the business.
- Objectives of the business.
- The products or services the business offered.
- An overview of the products.
- The vision and mission statement of business.
- The competitive advantage of the business.
- The project growth.
- The key members of the business.
- Funding requirements of the business.
- Future plans.
- Brief over view of the market for the products and services.
- 
- 
- 
- 

(Any 4 pts x 1 = 04marks)

(b) Measures put in place to ensure that information exchange was a success.

- Using simple and clear language.
- Ensuring that message is complete.
- Ensuring the message is accurate.
- Proper timing of communication.
- Ensuring feedback.
- Ensuring correctness of the message.
- Using the same language which the receiver is used to.
- Ensuring the right address is used.
- Making the message concise/brief.

*Planning the message in advance*  
*Developing good listening skills*  
*- Eliminating distractions*  
~~*- Using appropriate channel*~~

(Any 5pts x 1 = 05marks)  
N.B: Evidence is needed

(c) Man power policies that were used to enhance labour efficiency and productivity.

- Employee training and professional development.
- Performance based remuneration.
- Proper discipline management procedures.
- Skilled based recruitment.
- Performance appraisal.
- Strengthening employer – employee relations.
- Close supervision of workers.
- Equal treatment of workers.
- Merit based promotion policies.
- Ensuring job security.
- Ensuring conducive working environment.

*Involving Workers in decision Making*  
*Transparency in Management*  
*Timely payment*

(Any 4pts x 2 = 08marks)  
N.B: Evidence is needed

(d) Ways how the economic environment hinder the expansion of the business.  
(08 marks)

- High cost of business.
- Inadequate resource availability.
- Poor economic policy. *Restrictive economic policies*
- Un conducive administrative issues.
- Poor infrastructure.
- Poor financial systems.
- Stringent legal requirements. *Weat School School rules*
- Absence of economic incentives.

(b) Measures put in place to ensure that information exchange was a success.

- Using simple and clear language.
- Ensuring that message is complete.
- Ensuring the message is accurate.
- Proper timing of communication.
- Ensuring feedback.
- Ensuring correctness of the message.
- Using the same language which the receiver is used to.
- Ensuring the right address is used.
- Making the message concise/brief.
- Planning the message in advance
- Developing good listening skills
- Eliminating distractions
- Using appropriate channel

(Any 5pts x 1 = 05marks)

N.B: Evidence is needed

(c) Man power policies that were used to enhance labour efficiency and productivity.

- Employee training and professional development.
- Performance based remuneration.
- Proper discipline management procedures.
- Skilled based recruitment.
- Performance appraisal.
- Strengthening employer – employee relations.
- Close supervision of workers.
- Equal treatment of workers.
- Merit based promotion policies.
- Ensuring job security.
- Ensuring conducive working environment.

- Involving workers in decision making

- Transparency in management

- Timely payment

(Any 4pts x 2 = 08marks)

N.B: Evidence is needed

(d) Ways how the economic environment hinder the expansion of the business.

(08 marks)

- High cost of business.
- Inadequate resource availability.
- Poor economic policy. *Restrictive economic policies*
- Un conducive administrative issues.
- Poor infrastructure.
- Poor financial systems.
- Stringent legal requirements. *Weak school rules*
- Absence of economic incentives.

## SECTION C: FIELD ATTACHMENT / TRIP

4. (a) Description of business background.

- Description of the business. *Business name & address*.
- Business location.
- When it was started.
- Nature of the business.
- Economic and social activities carried out.
- Social problems in the area.
- Vision, Mission, Goals and objectives.
- Description of assets and premises.
- *Source of Capital*.
- *Products dealt in*.
- *Business ownership*.

Any 4 x 1 = 04 marks

(b) How relevant the management plan to business you were attached to?

- Shows people to work in the business.
- Tasks of workers.
- Qualification of workers.
- Fringe benefits to be given to workers.
- Workers remuneration.
- Organisational structure. *Flow of command*
- *Monitoring tool*.
- 
- 

(Any 4x 2 = 08marks)  
Evidence is needed

(c) How owner of the business benefit from his / her business.

- Providing employment to the family members.
- Developing of entrepreneurship skills.
- Generation of income in form of profits.
- Enabling easy access to some products.
- Promoting recognition of the family.
- Promoting unity among family members / creating unity.
- Ensuring better or improve standards of living.
- Acting as collateral to family members who want to get loans from financial institution.
- Promoting utilization of idle family resources like land, furniture, animals etc.
- Facilitating the development of other individual business of the family members.
- Promoting of job satisfaction to the family or promoting self fulfillment or family members.
- ~~Making it easy to family members to get financial support from financial institution since it's a joint venture.~~
- 
-

(d) Any four VAT records that were kept by the business.

- All business correspondences.
  - Orders and delivery. *Note*
  - Appointment and job books / cards.
  - Annual accounts including trading accounts, profits and loss accounts and balance sheet.
  - Bank statements and paying records.
  - Original tax invoices including simplified invoices.
  - Customs import and export entries.
  - Sales records.
  - Transit documents.
  - Contracts.
  - Computer generated records.
- Receipts*
- Letter - Payment Vouchers*
- Order note*

Any 4 x 1 = 04 marks  
Evidence is needed

(e) Advise to the owner of the business on the advantages of turning the business from private to public limited company.

- More capital is raised.
- There is transparency in the book of accounts.
- Shares are freely transferable.
- Specialisation is possible as a result of employing many people.
- Shares are made affordable.

*Improves business image*

*Easy access to loans*

*Continuity is assured*

(Any 4x 1 = 04marks)  
No evidence is needed

5. (a)

1. Name and address of the business.
2. Business location.
3. Products offered / Services offered
4. Date of establishment.
5. Nature of the business / legal form of business ownership.
6. Target market / customers.
7. Description of business assets.
8. Source of business finance.
9. Purpose of the business i.e vision, mission, goals, and objectives.
10. SWOT analysis
11. Uniqueness of the business.
- 12.
- 13.
- 14.
- 15.

Any 4pts x 1 = 04marks

- (b) Marketing environment of the business include both internal and external.

Internal marketing environment.

- (i) Marketing channels.
- (ii) Customers.
- (iii) Workers
- (iv) Competitors
- (v) The company suppliers.
- (vi) *The products / Services offered*
- (vii) *Product promotion*
- (viii)

External environment

- (i) Demographic forces.
- (ii) Economic factors.
- (iii) *Natural* environment.
- (iv) Technological factors.
- (v) Political factors.
- (vi)
- (vii)
- (viii)
- (ix)

*Product pricing*

*Evidence is must*  
Any 5pts x 1 = 05marks

- (c) Ways that were adopted by the business to ensure prompt payment of debtors.

- Offering cash discounts.
- Sending ~~written~~ debt reminders.
- Offering gifts to those who pay in time.
- Use of debt collectors.
- Making personal visits.
- Setting clear agreed credit periods.
- Getting collateral security from debtors.
- Allowing efficient and convenient payments like mobile money system, *Instalment*.
- *legal actions against defaulter*.
- 

Any 4pts x 2 = 08marks  
N.B: Evidence is needed

- (d) Implications of the battle between business to win consumers acceptance and loyalty.

**Positive implication**

- Leads to better consumer satisfaction.
- It leads efficient production.
- Better employee payment.
- Leads to more product variation.
- Leads to production of better quality products.
- Production of variety of products.

*Price reduction*

*- Hard work among entrepreneurs*. Any 4pts x 1 = 04marks

### Negative implications

- Increased cost of operation.
- Leads to over production.
- Leads to misleading advertisements.
- Leads to reduction in demand of business products.
- Leads to reduction in profits of the business.
- Leads over exploitation of the business resources.
- Leads to unemployment.
- Increased labour turnover in an attempt to look for better jobs.

*Duplication of products*

*No Evidence*

- 
- 
- 
- 

Any 4pts x 1 = 04marks  
Total = 08 marks

- END -