

ENTREPRENEURSHIP EDUCATION
STUDY GUIDE BOOK FOR PAPER 3
(P230/3)

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INTRODUCTION TO ENTREPRENEURSHIP EDUCATION PAPER THREE (P230/3)

This paper checks the practical skills gained by a candidate from the classroom, the school, Business Club and the real business environment.

Paper 3 has three sections: section A, B, C, this is paper is for 3 hours. It consists of five questions of which a candidate is supposed to attempt four choosing at least one from each section.

SECTION A: A CASE STUDY (COMPULSORY) (NO. 1)

A case study regarding entrepreneurs will be presented to the candidates to test their understanding and interpretation of concepts. The case study will cover a number of topics in entrepreneurship syllabus from which questions will be asked. This will constitute 25marks.

SECTION B: SCHOOL BUSINESS CLUBS

This section will assess student's participation in school business clubs which are the laboratory for entrepreneurship education. It aims at measuring the personal development that candidates go through in their school Business clubs.

This section comprises of two questions No. 2 and NO.3 each constituting 25marks.

SECTION C: FIELD ATTACHMENT/FIELD TRIPS

Field attachment is a field based on practical training experience that prepares learners for the tasks they are expected to perform on completion of their education.

There shall be one question on field attachment and one question on field trip, each taking 25 marks.

TEACHING SYLLABUS

Paper 3 unlike paper 1 and paper 2 has no syllabus. It borrows information from all topics of entrepreneurship syllabus including financial management from which questions are asked

It therefore covers areas like

- Introduction to entrepreneurship education
- Entrepreneurship skills
- Business opportunities
- Business ideas
- Business ethics
- Social entrepreneurship
- Risks and risk management
- Small and medium enterprises
- Business planning
- Production management
- Quality management
- Product promotion
- Marketing management
- Coping with competition

- Personnel management
- Capital markets and collective investment schemes
- Corporate governance
- Taxation
- Gender and entrepreneurship
- Entrepreneurial environment

EXAMINATION TIPS/APPROACH

SECTION A

Section A consists of a case study and is compulsory. The case study tests student's understanding and comprehension of entrepreneurial concepts. A case study regarding entrepreneurs is presented to the candidates to test their understanding and interpretation of concepts. The case study covers a number of topics in entrepreneurship syllabus including financial management, from which questions are asked.

Note

While answering questions in this section, candidates should put emphasis on the kind of question being attempted. This is because some questions require evidence from the case study that helps to back up the candidate's answers in order to earn a full mark(s). However, not all questions may require evidence from the case study.

SECTION B

This section assesses student's participation in school business clubs that are the laboratory for entrepreneurship education; it aims at measuring the personal development that candidates go through in their school business clubs.

NB

- Language used is preferably past tense since at the end of the two years of study; the candidate must dissolve their projects. Hence we use words like was, were, had etc.
- Evidence in form of description, examples is strictly required
- Name and address of business includes business name, box number, district and contacts
- The business location should include the village, parish, sub parish or if not the candidate should give an outstanding physical features e.g opposite school canteen, main hall, Kampala taxi park
- The business purpose should be written within two years of candidate's study
- Uniqueness of the business may be in form of unique features like workers, assets, buildings, production methods, legal ownership, and customers being served
- The sources of funds must carry the values/ amounts of money
- The **SWOT** analysis should be in line with industry

SECTION C

Field attachment is a field based practical training experience that prepares learners for the tasks they are expected to perform on completion of their education. Here, students are required to participate in the field attachment in real businesses at their own conveniences; however, it is advisable that students take the field attachment during their holiday

NB

- ✓ Language used here is preferably present tense since the business still exists. Hence we use words like is, are, has etc
- ✓ Evidence in form of description, example is strictly required
- ✓ Name and address of business includes business name, box number, district and contacts
- ✓ The business location should include the village, parish, sub parish or if not the candidate should give an outstanding physical features e.g opposite Kampala taxi park, even location in town may also include / use of street, plot number
- ✓ Uniqueness of the business may be in form of unique features like workers, assets, buildings, production methods, legal ownership, and customers being served
- ✓ The sources of funds may or may not carry the values/ amounts of money
- ✓ The **SWOT** analysis should be in line with industry

Common mistakes made in paper 3

- i) **Failure to read and understand instructions.** This is still a challenge to some candidates. In this paper, section A is compulsory and a candidate may either answer all the two questions from section B about the school business projects and answer one question from section C or a candidate is free to answer the two questions in section C and pick one from section B making it a total of four (4) questions.
- ii) **Failure to read, analyze and interpret the case study.** Some students have a bias towards reading the case study yet it is a compulsory question. This implies that such candidates give answers without attaching evidence from the case study as if they are answering questions of paper 1. The end result of this is that such candidates score either zero or little marks in this section.
- iii) **Poor question selection.** This usually happens in section B and section C. some questions in these two sections tend to be unfriendly but at times it is hard for a candidate to distinguish between them. A candidate may choose a question where he / she may not even score 10/25. This is usually caused by such questions having simple sub-sections that one may easily answer.
- iv) **Giving answers in an outlined form.** Paper 3 is a practical paper that requires candidates to answer the WHY (mentioning the point) and How (giving evidence). This implies that after the candidate has given a correct answer, he / she must go an extra mile to convince the examiner by giving a perfect example or evidence from the case study, school business project, field attachment or field trip

Note

The greatest challenge in this paper is actually here. Candidates present answers which at times are correct but lack evidence / examples to back up their answers. This implies that where one would score full marks, he / she ends up getting half.

- v) **Failure to participate in school business projects.** Like we saw earlier, paper 3 is a practical paper that requires hands on. Questions set in section B about

business projects require perfect knowledge from the candidate about day-to-day activities in the project. However, some students tend to take this for granted hoping to generate answers direct from paper 1. This is indeed very dangerous and wrong because these answers will have no evidence at all.

- vi) **Failure to carry out field attachments / field trips.** Field attachment is mainly used to answer question (4) while field trips are used to answer question (5)

Common terms used in setting in paper 3

Before we look at these terminologies first of all, we need to appreciate the nature and demands of this paper i.e. the WHY (mentioning the point) and HOW (giving evidence). However, in so doing, we also need to know that in some cases, the how i.e. evidence is implied in the statement / answer raised. Hence it is the duty of the student to identify areas where evidence is implied and not.

- I. **Illustrate / draw.** This requires the candidate to illustrate the answer with the aid of drawing / diagram. For example, draw / illustrate the layout, organizational chart etc., of the business you were attached.
- II. **Describe.** The candidate is expected to give a point and then explain it in details with evidence

Note:

Candidates tend to confuse the above two words in exams. For instance, a question may be "Describe the layout of the business you were attached to" "most students will end up giving the answer by drawing the lay out which is wrong. This question requires answers in an essay form (paragraphs) and not a drawing. However, evidence for each answer must be given. This will be in form of giving the purpose / use of each element stated. For example, store / ware house (why / mentioning) for storing both raw materials and finished goods (how evidence).

- III. **Explain.** The candidate is supposed to give a very clear and some detailed point with evidence
- IV. **State/give/list/ mention/ outline.** The candidate is supposed to give a brief but clear point say of one or one and half times but with evidence
- V. **What.** This requires the candidate to explain, "what is" by giving clearly explained points but with evidence
- VI. **Why/give reasons.** The candidate is supposed to give a reasoned answer to the question but with evidence.

SECTION A (CASE STUDY)

Example one

1. Read the case study of Kirabo Dairy Farm and answer the questions that follow

Kirabo Dairy farm is located in Nyabushozi, Kiruhura District in western Uganda. The farm is now owned and operated by Kirabo Flavia, a daughter of the late Mwesigye John. The farm employs twenty (20) workers recruited from the local community. It was started in the late 1960s by Kirabo's grandfather. Kirabo took over the farm when it had eight cows. She had been adding to the herd since that time

Although the farm owns two large buildings and dairy cows, it is considered a small business by dairy farm standards

The farm occupies 178 acres of land. Flavia ploughs the land and plants elephant grass to feed the present herd of Friesian, jersey dairy cows and five replacement heifers

The average production is 2,000 liters of milk per cow per year. The product is sold to local consumers and to a local milk packaging agent who takes it to his principal consumer in Kampala. The milk is sold at market rates

On December 31st 2012 Kirabo's records showed the following

Fixed assets i.e. land, buildings, farm machinery, milk tanks, milk equipment and cows valued at shs 190,000,000. In addition, there was shs 3,450,000 in cash, shs 3,450,000 in accounts receivable owed to the farm by milk buyers and prepaid insurance of shs 5,560,000

The current liabilities for the farm were shs 10,000,000 on short term loan and shs 900,000 on salaries and wages owed to farm workers. The long term liabilities were shs 55,000,000 on long term loan

The income from milk sales was worth shs 134,000,000, the direct costs of milk production (cost of goods sold) were shs 42,000,000 and the operating expenses were shs 38,000,000. The net profit for the year was shs 54,000,000

Many dairy farms are now being established and others expand in the nearby areas. These may pose a lot of competition to Kirabo dairy farm; hence reduce its market share. Kirabo has fears that the sales income may greatly reduce

Questions

- a) *Use the above information to develop a balance sheet statement for Kirabo dairy farm*
- b) *Give five reasons why financial record keeping is important for Kirabo dairy farm*
- c) *State three reasons for Kirabo's choice of the type of business*
- d) *Explain any three benefits Kirabo dairy farm gets from the local community*
- e) *What other possible business opportunities can Kirabo undertake to effectively utilize the 178 acres of land?*
- f) *Advise Kirabo on five ways of maintaining and expanding the market share*

Answer guide

a)

KIRABO DAIRY FARM'S BALANCE SHEET AS AT 31st DECEMBER 2013

DETAILS	AMOUNT (SHS)	AMOUNT (SHS)	AMOUNT (SHS)
Fixed assets			
Land, buildings etc			190,000,000
Current assets			
Account receivable		3,450,000	
Cash		3,450,000	
Prepaid insurance		5,560,000	
Liquid capital		12,460,000	
Less current liabilities			
Short term loan	10,000,000		
Un paid salaries and wages	900,000		
Total current liabilities		10,900,000	
Working capital			1,560,000
Capital employed			<u>191,560,000</u>
FINANCED BY			
Capital		82,560,000	
Add: net profits		54,000,000	
Capital owned			136,560,000
Add: long term liabilities			
Long term loan			55,000,000
Capital employed			<u>191,560,000</u>

b) **Reasons why financial record keeping is important for Kirabo dairy farm**

- ✓ To act as a tool for controlling movement of business assets like cash
- ✓ To guide entrepreneur in decision making/planning
- ✓ To provide information on credit transactions, these can be handled and clearly in time if they are well recorded
- ✓ To guide her on tax assessment, as taxes to be charged will depend on the performance of the business (profitability)
- ✓ To help when applying for loans from financial institutions, as they will insist on looking at the records to verify the performance of the business
- ✓ For the purpose of future reference whenever information is required
- ✓ To determine the financial position of the business using balance sheet, so as to make decisions on whether to join or invest in the business
- ✓ To calculate profits or losses for the business using income statement

c) **Reasons for Kirabo's choice of the type of business include the following**

- ✓ Availability of market for example the local consumers and local milk packaging agent
- ✓ Legality of the business
- ✓ Possession of knowledge and skills needed to run and operate a dairy farm
- ✓ Personal interest
- ✓ Availability of required skilled labour
- ✓ Relatively high returns on investment of shs 54,000,000
- ✓ Social cultural factor, i.e cattle keeping is the main activity in that area

- ✓ Availability of resources like cows, large buildings and 178 acres of land
- ✓ Family bias/ influence ie gift inherited the business from her grandfather

d) *The benefits Kirabo dairy farm gets from the local community include the following*

- ✓ The local community provides labour to Kirabo dairy farm for example the farm employs 20 workers got from the local community
- ✓ It provides market for the farm products like milk is sold to the local community and local packaging agents
- ✓ Provision of farm's inputs like cows, grass and peeling to feed the cows in Kirabo dairy farm
- ✓ The local community offers land like the 178 acres that Flavia ploughs and plants elephant grass to feed cows
- ✓ The local community provides security to dairy farm which safe guards the cows in Kirabo dairy farm
- ✓ Provision of infrastructure for example roads and electricity that is used to run the farm machines and equipment
- ✓ Provision of capital in form of loans like the long term loan of shs 5,000,000 owned by the farm

e) *Other possible business opportunities Kirabo can undertake to effectively utilize the 178 acres of land include the following*

- ✓ Milk processing plant
- ✓ Veterinary drug shop
- ✓ Commercial crop farming e.g. bananas
- ✓ Establishing a milk processing plant
- ✓ Establishing animal feeds processing factory
- ✓ Trees planting
- ✓ Biogas production plant/ organic manure for sale
- ✓ Commercial fish farming
- ✓ Poultry
- ✓ Commercial brick making
- ✓ Establishing training institution for farmers
- ✓ Establishing meat processing plant / butchery

NB. There should be some input-output relationship of the dairy farm ie the business opportunities should be related to dairy farming

f) *Ways of maintaining and expand the market share*

- ✓ Ensuring effective communication, this make them conversant with her product, its values and features it has over others, hence buying more of it
- ✓ Writing newsletters like writing reports giving news about the farm products
- ✓ Using referrals ie promoting products or services to new customers through referrals, usually word of mouth
- ✓ Using effective negotiation with customers such that they don't feel cheated by the business
- ✓ Advertising persuasively through the media like radio, television etc
- ✓ Networking like sharing information and services among individuals and groups having a common interest
- ✓ Favourable pricing strategies like charging prices slightly below the market rate, for the farm to retain enough profits
- ✓ Offering credit sales to some credit worthy customers

- ✓ Cold calling ie sending of anonymous messages to customers
- ✓ Offering discounts to customers e.g cash and trade discounts to encourage prompt payments and bulk purchases respectively
- ✓ Carrying out market research to identify market gaps to be filled by Kirabo
- ✓ Ensuring display of the product for example milk tanks and containers outside the business
- ✓ Improving the quality of the milk by using high quality machinery and skilled labour.
- ✓ Giving free information about the business products like where to find the business, prices of the products on product prices and quality

2. Read the case study below and answer the questions that follow.

In 2013, Namusoke Faith bought a declining mixed farm from Kato James who had made losses for the past three years. Namusoke believed that her bakery management skills could help revive the farm.

She renamed the farm as New Hope mixed Farm". Through research she discovered that the farm had failed to recover many debts and was generally poorly managed.

Namusoke obtained helpful advice from various sources like from veterinary experts, successful mixed farmers and others. Her curiosity for more knowledge took her to agricultural trade shows, watched television programmes on farming and also read PAKASA articles in the New Vision papers. Daily she could sit down alone thinking on how to improve the farm, while noting down every constructive idea that came into her mind.

Despite all the challenges the farm faced, Namusoke was determined to revive the farm. She planned at restocked the farm with animals. She also researched and discovered that there was high demand for rice and beans by the education institutions.

The farm acted fast and increased the output of the two crops. She also encouraged her workers to believe that the farm could improve through her weekly meetings with the workers to brainstorm on the way forward, she built good relations with them.

The farm recruited a very hard working production manager called Kadingo Joel, who has easily implemented new policies. In addition, the farm increase advertising of its products and also regularly communicates to both old and new customers.

Today the customer population has increased from 150 per month to 5000 per month. This has also increased the total monthly sales from shs 2 million to shs 30 million.

In her meetings with the employees she keeps reminding them to expect positive change. The new rules set to improve the farm have motivated employees and they are doing their best. No wonder Aguma Ruth an old worker now says there is hope for better things.

Recently an arsonist set part of the farm buildings on fire, but on a good note Namusoke had already insured the farm against fire. She remarked that no barrier could stop her from becoming the best in the area.

Questions.

a. Give at least five methods that Namusoke used to improve her creativity ability

- ✓ Noting down thoughts / ideas that apparently drop into the mind unsolicited so that they are not forgotten. Namusoke could note down every constructive idea that came into his mind.
- ✓ Thinking beyond the invisible framework that surrounds problems. Daily she could sit alone think about how to improve the farm.
- ✓ Adapting ideas from more than one source. Namusoke used to get ideas from veterinary experts, successful mixed farmers, agricultural trade shows, television programmes and reading PAKASA articles in newspapers.
- ✓ Drawing on the experiences of other people. Namusoke could consult veterinary experts and successful mixed farmers.
- ✓ Knowing when to leave a problem. After experiencing debts, losses and other problems, Namusoke renamed the business as NEW HOPE mixed farm.
- ✓ Exploitation thought processes. Namusoke later introduced rice and beans growing on the farm.

b. How has effective communication helps the mixed farm?

- ✓ It promotes good image of the business before the public.
- ✓ It saves time and cuts down the costs that may be incurred to reach every customer.
- ✓ It facilitates decision making and policy implementation.
- ✓ It improves on the employer-employee relationship. This leads to good performance in the business.
- ✓ It facilitates advertising of goods through newspapers, radios etc.
- ✓ It enables the entrepreneur to set objectives that are clear and effective.
- ✓ It facilitates market research.
- ✓ It acts as a measure of managing credit sales. E.g through sending a credit status inquiry.

c. Drawing from your experience, advise Namusoke on the rules that she should follow to ensure successful negotiations

- ✓ Namusoke should focus on the set goals for the negotiations
- ✓ She should be prepared to do adequate research related to the negotiations to be conducted.
- ✓ She should set the desired tone of negotiation and develop required negotiation qualities
- ✓ Namusoke should know what is wanted and what the other side to the negotiation wants. She should have empathy
- ✓ Namusoke should look for the future and avoid the past during the negotiation.
- ✓ She should always have plan B or an alternative plan when the main plan fails.
- ✓ She should be flexible in demand during the negotiation period
- ✓ She should use the negotiation style of the other party to achieve positive outcomes.
- ✓ Namusoke should strive not to be emotional during the negotiations.
- ✓ She should ask relevant questions and be a good listener during the negotiations.
- ✓ She should be clear and a rapid thinker during negotiations.
- ✓ Namusoke should be patient and tactful during negotiations.

d. Advise Namusoke on what steps to follow to collect old debts

- ✓ Identifying or listing down all debtors of the business
- ✓ Arranging all old debtors according to the credit periods, debt amount and assigning specific workers to collect debts from specific debtors.
- ✓ Sending of polite debt reminders to all the old debtors and suggest dates for receiving payments.
- ✓ Collecting of the debt money or receiving the debt money
- ✓ Updating of all debtor's records like in the sales or debtors' ledger.
- ✓ Sending more strongly worded last reminders to debtors who still have defaulted.
- ✓ Publishing of the names and pictures of the debt defaulters the debts.
- ✓ Taking a legal action like employing the courts of law to recover the debts.

e. What procedures should Namusoke follow to claim for compensation insurance company?

- ✓ Notification to the insurer. The insurance company / firm is notified about the occurrence of the incident immediately
- ✓ Filling a claim form. The insured fills the claim form indicating all the details of the loss without falsifying or concealing any information.
- ✓ Investigating the claim. The insurer sends an assessor to determine the degree and nature of loss suffered by the insured and also determine the amount of compensation
- ✓ Payment of claim. Basing on assessors' report, the insurer pays due compensation to the insured either by repairing the damaged property, replacing it with another or by paying cash.

f. Give at least four innovations made by Namusoke that have helped her succeed

- ✓ Namusoke introduced a business making rice and beans. (product innovation)
- ✓ she increases advertising of its products (marketing innovation)
- ✓ increased output of the two crops (process innovation)
- ✓ introduced regular communication with the old and new customers (organizational innovation)

3. Read the case study below and answer the questions that follow

Okot runs a big poultry farm situated in Arua municipality. He has obtained a loan from rural development bank to supplement his personal savings.

He supplies quality poultry products to Arua and neighbouring districts. He has instructed his salesmen to sell the products to small scale customers on cash basis. However those who buy products for more than shs 400,000 get a discount of 5%.

Regular customers who buy in bulk are allowed to get products on credit for a period not exceeding three months. Those who effect payment within 30 days are offered a cash discount of 10%, while those who exceed this period are charged 5% on amount due. Those who fail to repay are sued in courts of law.

Okot heavily depends on family labour but they have limited poultry management skills. He is currently experiencing cash flow challenges which have affected his plans to satisfy the current market and expand the farm.

Questions

- a) State any four factors that favoured the establishment of the poultry project.

- b) Identify any five terms and conditions of sale in the case study
- c) A customer bought poultry products worth shs 500,000, but failed to pay within the credit period allowed. Calculate the;
 - i. Penalty fee and
 - ii. Total amount to be paid by the customer
- d) (i) What are the challenges being faced by Okot in running the poultry farm?
- (ii) Advise Okot on how best he can improve his poultry farm

Solutions

- a) Factors that favored the establishment of the poultry project
 - ✓ Presence of market ie Arua and neighbouring district
 - ✓ Presence of capital ie personal savings and loans
 - ✓ Presence of labour ie family labour
 - ✓ Possession of entrepreneurial skills e.g marketing, Human resource management
 - ✓ Presence of enough / ample space ie a big poultry farm in Arua municipality
 - ✓ Presence of developed infrastructure e.g roads
 - ✓ Presence of security
 - ✓ Being a legal business
 - ✓ Acceptance by the community
 - ✓ Presence of required raw materials e.g feeds, chunks of drugs
- b) Terms and conditions of sales in the case study
 - ✓ Sale of products on cash basis shall be given to small scale customers
 - ✓ 5% trade discount shall be allowed to customers who buy products for more than shs 400,000
 - ✓ 10% cash discount shall be offered to those customers who effect payment within 30 days
 - ✓ Credit period shall not exceed 3 months to regular customers who buy in bulk
 - ✓ Charge of 5% on the amount due shall be for those customers who exceeds the credit period.
 - ✓ Customers who fail to pay shall be sued in courts of law
 - ✓ Credit shall be offered to regular customers who buy in bulk.
- c) (i) penalty fees = Penalty charge X amount due

Amount due = amount bought – Trade discount

$$\text{Shs } 500,000 - \frac{5}{100} \times \text{shs } 500,000$$

$$\text{Shs } 500,000 - \text{shs } 25,000$$

$$\text{Shs } 475,000$$

$$\text{Penalty fees} = \frac{5}{100} \times \text{shs } 475,000$$

$$\text{Penalty Fees} = \text{shs } 23,750$$

(ii) Total amount paid = amount due + penalty fees

Shs 475,000 + 23,750

Total amount paid = shs 498,750

d) (i) Challenges faced by Okot in running the business

- ✓ Limited poultry management skills
- ✓ Cash flow challenges
- ✓ Limited funds

(ii) Advise Okot on how to improve his poultry farm

- ✓ Training labour
- ✓ Recruiting skilled labour
- ✓ Improving / ensuring record keeping
- ✓ Advertising the products / sale promotion
- ✓ Improving on customer care
- ✓ Minimizing operational costs
- ✓ Limiting credit sales to only trust worthy customers (selling on cash basis)
- ✓ Shortening credit period
- ✓ Ensuring efficient supervision and monitoring
- ✓ Maintaining proper hygiene
- ✓ Improving on technology
- ✓ Ensuring regular treatment / vaccination of chicks
- ✓ Ensuring better remuneration / payments for workers
- ✓ Insuring the business
- ✓ Ensuring the proper debt management
- ✓ Carrying out regular research
- ✓ Undertaking specialization
- ✓ Mobilizing more funds
- ✓ Ensuring adequate provision of utilities e.g water
- ✓ Use of improved quality feeds.

Exercise 1

Read the case study of New Hope Tailors and answer the questions that follow:

New Hope Tailors, postal address private bag, Soroti is a business that was established by Aguti Faith in 2011. It is located along Lira road on plot No. A10.

Aguti has passion for elegant clothes and this inspired her to start the tailoring business from her savings. The business employs three hard working ladies who all love their jobs. The business makes a variety of products that include: ladies bags, office bags, African bags and baby shawls made of threads. In addition, it also makes table cloths, uniforms for schools and workers, and wedding attires for both sexes.

Aguti is a very hardworking and honest lady, and this has helped her to attract many customers. She also uses good networking, referrals, persuasive advertisements and

making phone calls to potential and old customers to expand her market area. Her biggest complaint is about inadequate capital. Also she says some of her big customers like schools take long to pay their debts. She is planning to develop a credit policy for the business. The business buys its cloth materials mainly from Kampala and Jinja, while other raw materials are sourced from Soroti, Lira and Gulu districts.

The business had the following financial records for the year ended 31, December, 2012: sales for the year shs. 80,000,000, land and buildings shs. 154,000,000, machinery and equipment shs. 10,000,000 delivery van shs 34,000,000, creditors, shs 30,000,000 water bills due shs. 1,000,000 stock shs 48,000,000 debtors shs. 18,000,000 bank shs 27, 000,000 cash shs. 10,000,000 prepaid advertising shs. 4,000,000 bank loan shs. 60,000,000 net profit for the year shs. 47,000,000, capital shs 190,000,000, drawings shs. 23,000,000.

Required

- (a) Calculate the quick assets to quick liabilities ratio.
- (b) Determine the average number of days it took debtors to pay their debts.
- (c) Explain any three marketing strategies used by the business.
- (d)
 - (i) Identify three challenges New Hope Tailors encounters.
 - (ii) Advise the business owner on how to address the challenges you identified in (d) (i) above.
- (e) Draft a credit policy to be followed by the business.
- (f) Identify the target market of the business.

Exercise 2

Read the case study of Amaro Faith's restaurant and answer the Questions that follow

Five years ago, Amaro Faith who is always self-confident decided to establish a restaurant near a market in Gulu district. She had visited the market and discovered that traders travelled with their foods and drinks. She worked hard and had the restaurant in place within two months. She named it **NICE- FOODS RESTAURANT**. The restaurant prepares a variety of Uganda local foods and non-alcoholic drinks. She started by employing four people who are all hard working as herself.

Amaro communicates well with both workers and her customers. She has taught her staff how to treat customers well. They are polite to them, serve all customers with cheerfulness, and charge affordable prices to the various income groups.

In addition, all restaurant customers are highly respected; they are provided with high quality foods and drinks. Amaro's customers praise her for her good foods and drinks plus services. She continues to win more customers daily.

Amaro also trains the women and girls how to cook, make fruit juice, make various bakery products and how to treat customers well. She has already helped many women and girls start their own foods, bakery and drinks businesses.

The restaurant also provides water, security services, street lighting to the nearby community. Also, local farmers get free food leftover from the restaurant for their animals and birds.

Today, Amaro owns five mobile catering vans, four tricycles, six bicycles that offer mobile catering services in and around Gulu town. Also she has built a nice eight-

bedroom house, established a mixed farm and she is planning to build rental houses within ten years' time.

Amaro is a good listener; she listens to her restaurant customers, workers and expert advisers. Two years ago, she lost part of her restaurant properties to thieves. She now hires five well-armed guards and continues to say that she will not allow any set back to pull her down. She emphasizes that effective communication and good networking has helped her succeed in business.

She regularly phones her major customers, visits those in hardships, provides notice boards, suggestion boxes and uses loud speakers to ensure good communication.

Today, Amaro earns above 50 million shillings yearly, and she expects to earn more since she has an eye for profit. She says, "I believe in taking the lead staying in the lead." The restaurant also sponsors sports and cleaning activities in the area.

Questions;

- a) *Identify the entrepreneurial characteristics that Amaro possesses.*
- b) *Explain the benefits of self-employment to Amaro.*
- c) *Explain the benefits of the restaurant to the local community.*
- d) *Identify the various ways the restaurant uses to ensure effective communications.*
- e) *Advise Amaro on measure to take to ensure quality products.*

Exercise 3

Read the following case study of Big is Big comfortable lodges and answer the questions that follow

Otim Hillary is 14 years old. Her aunt Apio Hope owned a restaurant in Lira town. She later decided to start a lodge, but the shortage of rooms in town hindered her from expanding. Later, she secured more rooms which were suitable for her business. She was paying shs 15,000 for each room per month. The lodges were operating under the business name "Big is Big comfortable lodges"

Otim went to primary school and later joined secondary school. He was admitted to Aduku U.C.C for a business course where he successfully completed his studies. Otim did not get employment; instead he assisted her aunt in the lodging business

Apoi's customers at Big is Big comfortable lodges were increasing every week. The family managed to build a medium hotel for sales. The hotel was located in the market area where tourists and other traders from town and rural areas of the region met for their business. Otim had another business idea of opening up a sauna facility within the hotel but due to high capital requirements, the idea could not easily be put in place

Otim approached the manager of Stanbic bank, Lira branch for loan assistance. He was granted a loan of shs 5,000,000 at an annual interest of 12% payable in five equal installments at a reducing balance. Otim immediately started a sauna and this yielded a lot of profits which enabled him to pay back the loan within the specified time

Questions

- a) *Use the above information to develop a loan repayment schedule*
- b) *What risks do Big is Big comfortable lodges face?*

- c) *What factors influenced Otim Hillary to venture into a sauna business*
- d) *Other than getting a loan, which other sources of funds would Otim Hillary have used to secure funds for the sauna business?*
- e) *Give reasons for Otim's increase in sales within her business*
- f) *Mention any four costs Otim Hillary might have faced in the initial starting of a sauna business*

Exercise 4

Read the case study below and answer the Questions that follow:

Nakiganda a former S.6 student of Kiwedde Senior Secondary School got inspired by the ideas of her Entrepreneurship teacher to think of business as a career. She read several business magazines and newspapers including watching television to achieve her dream of becoming a successful business lady.

She mobilized funds from relatives and friends, sold her small piece of land given to her by the late grandfather and also acquired a loan of shillings one million (shs. 1,000,000/=) from Pride Micro Finance to start a retail shop in Lwakhakha town amidst other retail shops.

She is very hard working, opens the retail shop very early to serve her customers, offers prompt services and she is always very honest with whoever she deals with. Because of this, she has managed to win many customers and created job opportunities for her former schoolmates and the people around her business. She intends to create other two retail shop outlets in Manafwa town and Mbale in the next two years.

Her workers are well motivated to avoid the costs of labour turnover. The competitors are jealous about her retail shop and they think she uses charms to attract customers. So far she has received two certificates of Quality Assurance from UNBS and she has become very popular in Lwakhakha town.

Questions about the case study

- a) *Identify the sources of business ideas to Nakiganda*
- b) (i) *Identify the entrepreneurial qualities which Nakiganda possesses*
(ii) *List the elements of good customer care used by Nakiganda*
- c) *Identify the sources of business capital that Nakiganda used*
- d) *What costs of labour turnover is she trying to avoid by motivating workers?*
- e) *As an Entrepreneurship Education student, what lessons can you learn from Nakiganda?*

SECTION B (BUSINESS CLUB)

A school business club is an association of school students or pupils who subscribe money or pay membership fees and also contribute capital to establish and operate a business in which they earn money or income.

Various stakeholders of a school business club and their duties and responsibilities

Meaning of stakeholders

These are individuals, people or organisations (bodies) that have personal interests in establishment and operations of the school business club. They include the following parties among others.

1. **The school board of governors or directors.** These are the top management or players or the actual owners of the school. Their responsibilities include the following.
 - i. To permit the establishment of the business club in the school
 - ii. To oversee the operations of the school business club
 - iii. To support the activities of the business club in the school
 - iv. To link the business club to outsiders e.g other school business clubs or other business support organisations, parents, the surrounding community etc.
2. **The school administration.** This comprises of the head teacher or other school administrators.
They have the following responsibilities
 - i. They provide the business club with the required resources or facilities like land, room, and others like financial support.
 - ii. To perform advisory and supervisory roles in the school business club.
 - iii. To link the business club to outsiders like other schools
 - iv. To provide market for the goods or services of the business club by buying from the club
3. **Club patrons.** These are teachers elected or appointed by the school administration or the entrepreneurship club members to be the head of the business clubs of individual schools.

They are required to perform the following responsibilities

- i. To oversee all the activities of the club
- ii. To link the students to the school administration
- iii. To provide appropriate training to the business club leadership or student leaders
- iv. To find or identify required resources and business opportunities for the students
- v. To keep appropriate records regarding student's performances in the business club
- vi. To attend the business club meetings, give advice and act as mentors to the students

4. Staff members (teachers and support staff)

These are all the workers in the school. They have the following responsibilities towards the school business club

- i. To provide appropriate support to the club activities like secretaries can help to typeset the club's work
- ii. To invest in the business clubs e.g by buying shares, contributing capital etc
- iii. To offer expert advice or assistance in their individual areas of specialization
- iv. To link the club with other school business clubs.
- v. To provide market for the goods or services sold by the club

5. Guardians, parents and the community

These include the mothers, fathers and relatives of the students and the members of the society or well-wishers. Their responsibilities to the school club include the following.

- i. Parents and guardians responsibility could be to provide market to the club's goods and services
- ii. To offer moral and financial support to the school business club
- iii. To provide land or room or space to the school's club project, if the project is located in the community outside the school
- iv. To provide useful advice to the school club or club project
- v. To provide raw materials, equipment and other facilities for operation of the business club.

6. Students. These are the learners in a school and their responsibilities include the following

- i. To become members of the business club by paying the membership fee and then participation in the club activities.
- ii. To contribute funds or capital to run the business club
- iii. To initiate new ideas for the club e.g generates business ideas so as to help identify a business opportunity.
- iv. To actively participate in the activities of the club like involve in the production of goods for sale.
- v. To implement what is learnt in class in the business club e.g practicing doing personal selling.
- vi. To keep records of the business club like the cash book where cash transactions are recorded.
- vii. To participate in national or regional or district club activities.

7. Business support organizations and well wishers

These provide specialized support to the business clubs. Their responsibilities include the following

- i. To provide specialized support to business clubs like by giving grants, giving tools and equipments, providing technical support and others.
- ii. To provide market or help in the marketing of the club goods or services
- iii. To provide entrepreneurship training and centers where students conduct field attachments or field trips

Guidelines to forming a business club in a school

- i. Every school offering entrepreneurship education shall be required to have a business club run by the students, to enable them put to practice or apply the theory learnt in class.
- ii. Students taking entrepreneurship shall automatically become members of the business club and membership shall also be open to other students who meet the entry requirements
- iii. The entrepreneurship education teacher shall introduce to the students the idea of forming club right in first term senior five – in case the club is newly to be formed.
- iv. The members, through the guidance of the entrepreneurship teacher shall then brainstorm and choose a name for the business club.
- v. The business club members shall register all its members and then select a committee to write the club constitution.
- vi. The business club members shall then elect the business club leadership including the club patron
- vii. The club officials shall register the business club with the school administration.
- viii. The business shall be allowed to have multiple or more than one project run by a specific group and number of students. In other words, diversification of club projects shall be allowed.

Membership requirements

Shall include but not limited to the following reasons

- ✓ Membership shall be open to both students and the staff of the school.
- ✓ An application form shall be filled by an intending member and shall be filed by the secretary.
- ✓ All members shall pay once in full membership fee as determined by the executive committee and thereafter the general meeting.
- ✓ A member shall be a person of good character.
- ✓ The application shall be accompanied by co-relevant information as required by the executive committee from time to time.
- ✓ Membership application shall be considered by the executive committees or sub-committee set up for that purpose.
- ✓ Following acceptance of the application, the applicant shall be required to pay the required dues

Termination or cessation of membership

Membership in the business club shall be terminated under the following circumstances

- ✓ By death or lunacy. One shall cease to be a member of the business club when he or she dies.
- ✓ By resignation in writing with the application to resign filled in a month's time and such a member shall be refunded his or her dues without yearly benefits for that year
- ✓ By expulsion- in which case the member shall have the right to appeal during the next general meeting

- ✓ Disciplinary procedures as a measure to relieve the club of problems in case of misconduct in the activities of the business club like fraud among others.

The bylaws of the business club

- ✓ A member shall attend all the general meetings and actively participate in its deliberations.
- ✓ A member shall abide by the constitution and the resolutions passed by the general meeting.
- ✓ A member shall pay promptly his or her registration, membership and subscription fees as may be determined by the executive committee and approved by the general meeting.
- ✓ A member shall be hard working and willing to take up any assignment given in the club.
- ✓ A member shall be honest, keep all the club secrets as well as protect the interests of the club.
- ✓ A member shall be God fearing and shall respect others.
- ✓ A member shall possess the school identify card
- ✓ A member shall pay a registration fee of shillings 3,000 which is non- refundable.
- ✓ A member shall be a member of the school community i.e. A student or a staff member.

Rights and privileges of the members

- ✓ Right to fully participate in the general meeting deliberations and votes in the elections of the general assembly
- ✓ Right to use the club facilities or to get assistance as may be described by club by laws regarding use of such facilities
- ✓ Right to be treated equally as regards to the dispensation of the right and privileges as any other member of the club
- ✓ Right to share the profits made by the club
- ✓ Right to inspect the books of accounts

Sources of funds of the club as determined in the general meeting shall consist of:

- ✓ Sale of shares
- ✓ Membership fees
- ✓ Subscription fees
- ✓ Fundraising
- ✓ Acquiring loans from school administration i.e teachers, friends etc
- ✓ Donations/grants/gifts
- ✓ Parents/guardians contribution
- ✓ Retained profits
- ✓ School financial contribution
- ✓ Suppliers credit/trade credit
- ✓ Fines and penalties
- ✓ Sale of business assets
- ✓ Customers' advances.

HOW DID YOU RAISE THE START UP CAPITAL

- ✓ The source was membership fees and share capital
- ✓ The meeting was held
- ✓ Students suggested various and different sources of capital including subscription fees, Membership fees, borrowing from external source, donations from parents and fundraising
- ✓ It was resolved that membership fee of shs 20,000 is paid by every member and 100 shares be sold at shs 1,000 per share
- ✓ This gave us the grand total of shs 340,000
- ✓ The idea was taken to the subject teacher

SWOT ANALYSIS

Is a strategic planning technique used to help a person or organisation identify, strengths, weaknesses, opportunities and threats related to business competition or project planning.

Strengths and weakness are frequently internally-related, while opportunities and threats commonly focus on the external environment. The name is an acronym for the four parameters the technique examines:

- ✓ **Strengths:** characteristics of the business or project that give it an advantage over others
- ✓ **Weaknesses:** characteristics of the business that place the business or project at a disadvantage relative to others.
- ✓ **Opportunities:** elements in the environment that the business or project could exploit to its advantage.
- ✓ **Threats:** elements in the environment that could cause trouble for the business or project.

Benefits of SWOT analysis to business

- ✓ Helps in making wise and informed decisions
- ✓ Helps him / her to establish his / her strength
- ✓ Enables the business to determine his / her personal weaknesses
- ✓ Helps to determine his / her risk taking behaviours
- ✓ Helps the business to compare with potential competitors / competitive advantages
- ✓ Helps the business to assess how best it can run the business
- ✓ Helps a business to identify opportunities
- ✓ Enables a business to determine his / her threats
- ✓ Helps the business in making market research
- ✓ Helps the business in setting goals
- ✓ Helps a business to become innovative and creative
- ✓ Enables a business in proper utilization of business resources

Strength. Things / features / qualities that put business project at an advantage when compared to competitors

- ✓ Provision of high quality products such as high quality chapattis , chips, pan cakes and at affordable price
- ✓ High and effective entrepreneurial spirit
- ✓ Enough capital got from different sources like membership fees for example each member contributed 25,000 shillings towards the business project
- ✓ Ability to attract customers

- ✓ Co-operation among members (team work)
- ✓ Security from the club members
- ✓ Ready market from club members
- ✓ Employing labour with superior skills such as production, financial and market management skills.

Weaknesses

These are constraints that the business that the business products may face in the market.

- ✓ Weak distribution image
- ✓ Location not being close or easily accessible by customers
- ✓ Few products
- ✓ Too narrow product line
- ✓ Higher overall unit costs relative to key competitors
- ✓ Location not being close or easily accessible by customers
- ✓ Inability to finance needed market changes
- ✓ Being new in the market and having a weak market image
- ✓ Inappropriate distribution of products by restricting to only school community – club
- ✓ Employing many workers in the business which reduced on the business profits
- ✓ Poor time management/time wastage by club members.
- ✓ Misuse of business funds by club executives.

Opportunities. These are external chances that benefit the business if they happen.

- ✓ Increasing number of students in senior one and senior five
- ✓ Merging business with the senior fives
- ✓ Exempted from school charge
- ✓ School administration support ie provision of interest free loan
- ✓ Possibility of having big orders on special days' especially visitation days and leavers party days.
- ✓ Changes in market trends due to new developments ie a new school being opened in the neighbourhood.
- ✓ Increasing number of students to provide market.
- ✓ Existence of free space /room for operation
- ✓ Adequate Security from school guards, fence etc
- ✓ Financial support from parents, school and other well-wishers etc.
- ✓ Favourable government policy on skilling Uganda.
- ✓ Availability of the required inputs
- ✓ Availability of developed infrastructure such as roads etc.
- ✓ Acceptability by the community

Threats. These are undesirable happenings in the market that may occur to the disadvantage of the business.

- ✓ High competition from the school canteen and other business projects around the school community. This has greatly lowered the business sales.
- ✓ High cost of raw materials and other inputs like wheat flour, cooking oil, onions, eggs and other basic ingredients.

- ✓ Having a busy schedule at school hence creating little or no time to carryout business activities.
- ✓ Increased cases of bad debtors as some teachers and students default business' money.
- ✓ Entry of lower cost business in the market
- ✓ Increased bargaining power of students, teachers and suppliers

Plan for establishment and management of a new business club in a school

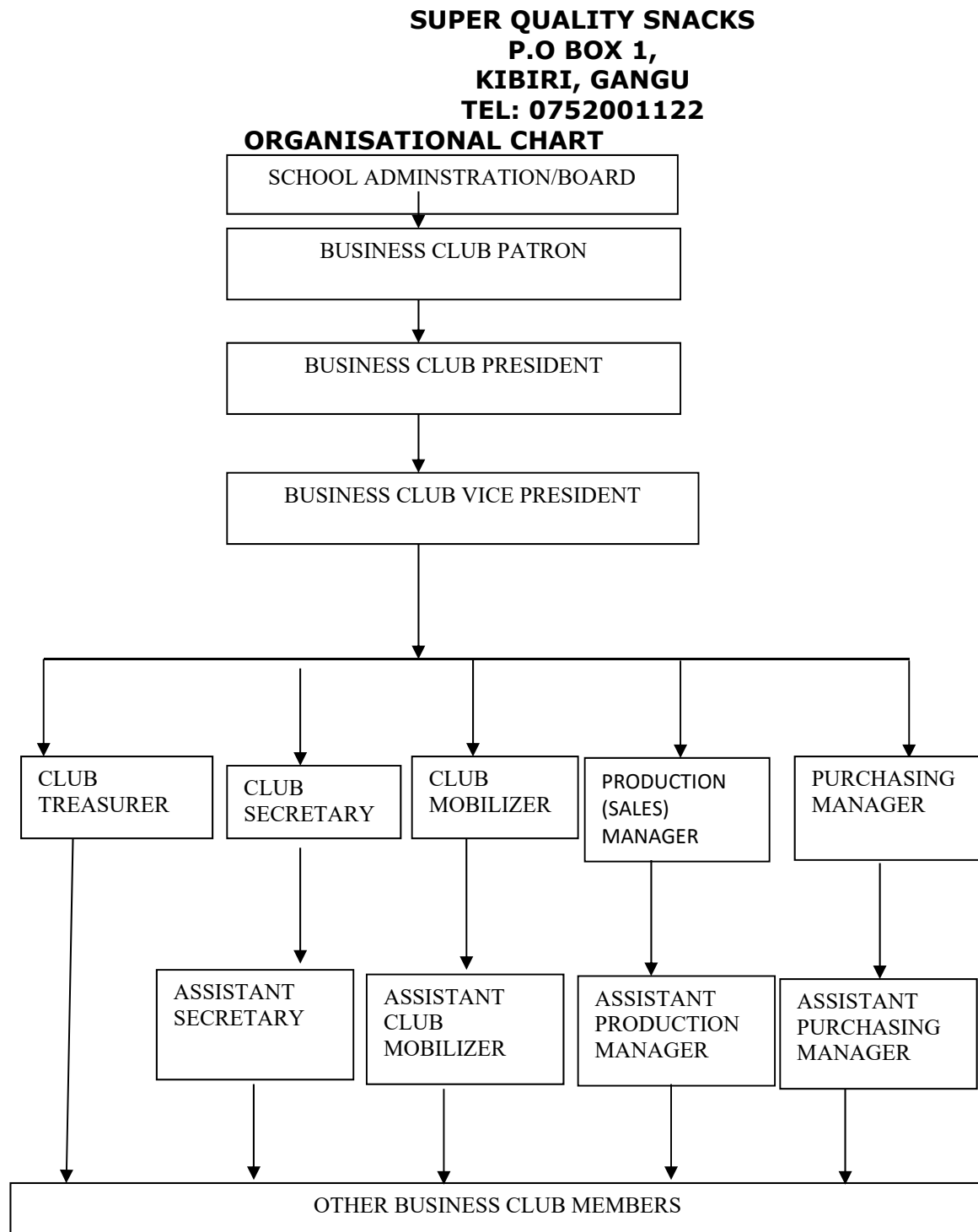
Name and address of the new business club

Action plan followed during establishment of the business

Time frame	Activity	Person in charge	Remark
Term I s.5	<ul style="list-style-type: none"> ▪ Establishing the business club, registering members and forming a committee to write constitution ▪ Electing leaders, registering the club with school administration ▪ Developing the business ideas and selecting what to set up 	S.5 ENT- class	
Term II s.5	<ul style="list-style-type: none"> ▪ Writing the business plans raising funds ▪ Establishing the business club project and managing it ▪ Continuing with club activities 	S.5 ENT- class	
Term III s.5			
Term I s.6	<ul style="list-style-type: none"> ▪ Continuing with club activities 	S.6 ENT- class	
Term II s.6	<ul style="list-style-type: none"> ▪ Continuing with club activities 		
Term III s.6	<ul style="list-style-type: none"> ▪ Winding up / dissolving club operations 		

Business club leadership structure.

This refers to the arrangement of leadership or frame work of activities in the business club. This can be summarized or illustrated using club organizational chart. Below is a suggested organizational chart for a school business club.



Duties and responsibilities of the club and the student's leaders

1. Duties and responsibilities of business club patron.

- ✓ Overseeing all the activities of the club
- ✓ Linking the students to the school administration
- ✓ providing appropriate training to the business club leadership or student leaders
- ✓ Finding or identifying required resources and business opportunities for the students.
- ✓ Keeping appropriate records regarding student's performances in the business club.
- ✓ attending the business club meetings, give advice and act as a mentor to the students

2. Duties and responsibilities of the business club president.

- ✓ Overseeing all the club activities / providing leadership for the club.
- ✓ Planning for all the club meetings and presiding over these meetings.
- ✓ Endorsing or signing of all the club documents like letters, reports and minutes of meetings, project proposals, club financial statements and others in his or her position as the principal signatory.
- ✓ Motivating the members to work for the good of the club
- ✓ Marketing and selling the club to other business clubs and representing the club in district, regional and national business club workshops or seminars.
- ✓ Supervising and monitoring performance of the club members and other stake holders of the business club.
- ✓ Managing discipline within the club
- ✓ Mobilizing resources on behalf of the club
- ✓ Working as a conveyer belt between the club and the school administration
- ✓ Being visionary/to be the think tank of the club
- ✓ To communicate all club decisions and actions
- ✓ Negotiating for better terms
- ✓ Managing discipline/dealing with disciplinary issues within the club.
- ✓ Creating a conducive work environment
- ✓ Managing change that take place in the business club.
- ✓ Taking (core or non-programmed or non-routine) decisions
- ✓ Managing conflicts and misunderstanding among members of the club.
- ✓ Acting as the club chief publicist or spokesperson
- ✓ Acting as the club chief accounting officer (CAO)

3. Duties and responsibilities of the club vice president.

- ✓ The vice **president** shall assist and deputize or perform all the functions of the president in the absence of the president or when delegated to do so.

4. Duties and responsibilities of club secretary.

- ✓ Summoning and attending all general and committee meetings of the club.
- ✓ Recording or taking minutes at all the club meeting.
- ✓ Making reports about the club activities and events.
- ✓ Keeping of up to date register of all the club members.

- ✓ Preparing and sending out or issuing of relevant documents to specific groups of members or the public e.g preparing circulars, notices and other documents.
- ✓ Reminding the president of important issues before the start of meetings and discussing the agenda with president.
- ✓ Reading minutes of the previous meetings during meetings.
- ✓ Organizing for any refreshments during meeting.
- ✓ Acting as the chairman in the absence of the president and vice president.
- ✓ Making sure that the attendance sheets are signed by all the members who attend meetings.

5. The of club treasurer. This responsibility of the treasurer shall include but not limited to.

Shall be familiar with accounting procedures and policies as the primary signatory on financial accounts.

- ✓ Attending of all required meetings of the business club.
- ✓ Collecting and receiving all monies payable to the club, keeping the money and depositing or banking club money every week in the club bank account or elsewhere as agreed upon by the members.
- ✓ Preparing relevant books of accounts for the business club e.g the cash books
- ✓ Preparing for the club's financial accounts for the year ended and presenting financial reports to the club members during the end of the month or year meetings.
- ✓ Advising the club members on financial and investments issues
- ✓ Making recommended payments e.g paying for refreshment for the club leaders
- ✓ Keeping an up to date records of paid up members and these who have not paid their membership fees.
- ✓ Being a co-signatory to all financial transactions on the club's accounts.

6. Responsibilities of the club assistant secretary.

The club assistance secretary shall perform the same responsibilities as the secretary when the secretary is absent or when assigned to do so

7. Club mobilizer's responsibilities

- ✓ Mobilizing club members for all the club activities and making sure that every club member participates in the activities.
- ✓ Organizing and planning for the days when the club shall hold meetings.
- ✓ Making all the necessary administrative arrangements for the meetings e.g arranging the meeting room/ venue, distributing copies of memos etc.

8. Responsibilities of the assistant club mobilizer.

- ✓ He or she shall do the functions of the club mobilize is absent or sick or when delegated to do so.

9. Responsibilities of the production or sales manager.

- ✓ Supervising of all the activities in the production or selling of the goods and / or the services.
- ✓ Ensuring the safety of the productive machinery tools and equipments.
- ✓ Maintain accurate production or sales records.
- ✓ Allocating work or tasks to the club members involved in production of selling activities.

10. Responsibilities of the assistant production or sales manager.

He or she shall do the work of the assistant production or sales manager during absence of the production manager or when delegated to do so.

11. Responsibilities of the purchasing manager.

- ✓ Purchasing the necessary requirements for the club project e.g raw materials
- ✓ Maintaining relevant purchases records like purchasing plans.
- ✓ Preparing a monthly and yearly report relating to purchasing activities.
- ✓ Conducting research in collaboration with the production manager to identify reliable and affordable supplies.

12. Responsibilities of the assistant purchasing manager.

He or she perform the duties of the purchasing manager during the absence of the purchasing manager or when delegated to do so.

13. Other club members

These shall perform any tasks in the club as assigned by the club leadership for executive committee.

Financial management in the business club/ Business club project.

- ✓ All the project's financial transactions should first be recorded in the appropriate source documents.
- ✓ The information from the source documents should be transferred to the appropriate subsidiary books like: the cash book for receipt and payments, the sales journal for credit sales and the purchase journal for credit purchases
- ✓ Ledgers and the trial balance may then be extracted. This is optional.
- ✓ The members must prepare the project's income statement / trading profit and loss account for each year that is, for the end of senior five (if any) and for the end of senior six, to determine the net profit or loss.
- ✓ Prepare the project's balance sheet to show the financial position for each year.
- ✓ Accounting ratios can then be calculated from the final accounts information.
- ✓ There is also need to have a simple cash flow statement for the last two or three months of senior six.

Profit and loss management.

- ✓ Profits from the project(s) may be handled in the following ways; that should be clearly stated in the club constitution.
- ✓ Sharing a specified percentage of the profits made by the project among the club members.
- ✓ Re-investing all or a stated percentage in the same business.
- ✓ Using the profits to start a new or different business in the school.
- ✓ Loaning of part or a stated percentage of the profits to another business in the club or to club/ non club students or to staff members or even to the school at a stated interest rate per month.

Some suggested methods / ways of winding up the project in term 3 of senior six.

- ✓ Closing up the business project by selling off all its properties and then sharing all the proceeds among the members.
- ✓ Closing the project in the school and then using the resources to open a new business in the community by the senior six members
- ✓ Selling the business to the senior five club members and then sharing the proceeds.

Or

The following are the plan to dissolve the school business club project

- ✓ Conducting a general meeting to discuss the dissolution of the project
- ✓ Selling off the assets of the project to the senior five entrepreneurship class
- ✓ Balancing the books of accounts and this was done by the financial manager.
- ✓ Paying off the creditors e.g the school administration, patron etc
- ✓ Sharing proceeds / profits among the members using the profit sharing ratio in the partnership deed.

OBJECTIVES OF THE BUSINESS MAY BE ON;

- ✓ Market share/customer base
- ✓ Cost minimization
- ✓ Profit level /margin
- ✓ Sales
- ✓ Quality improvement
- ✓ Packaging
- ✓ Skill development

NB. - Objectives must be SMART

- Objectives must be less than one year.

DESCRIPTION OF THE PROJECT

- ✓ Name and address of the business.
- ✓ Business location
- ✓ Products offered.
- ✓ Purpose of the business i.e vision, mission, goals and objectives
- ✓ Date of establishment
- ✓ Nature of the business or legal form or ownership of the business.
- ✓ Sources of business funds

- ✓ Target market/customer needs
- ✓ Description of fixed assets
- ✓ Uniqueness of the business.
- ✓ SWOT analysis

GENERAL DESCRIPTION OF THE BUSINESS CLUB

The business general description

The business was called **SUPER QUALITY SNACKs, P. o Box 1, KIBIRI GANGU. Tel: 0752-00-11-22**

Business was located within the school premises, in Gangu village, Busabala parish, Makindye Sabagabo Sub parish, Wakiso District

Purpose of the business

Vision statement of the business

To become the leading supplier of high quality snacks within the school

Mission statement

To produce and distribute quality snacks at affordable prices to meet customers' needs within the school.

Objectives of the business project

- ✓ To increase profits by 10% within 3 months of the operation.
- ✓ To increase sales after 2 months of operation by 20%
- ✓ To improve in the distribution channel
- ✓ To reduce cost of production by 5% within 6 months

The school project was established on 24th. /03/ 2020 by 20 founder members including the club patron

Super quality snacks business was a partnership business that was owned and managed by 18 Members including the club patron.

Goods offered were snacks like toasted bread, mummies, daddies and cookies, chapattis, half cakes and pop corns.

Customers of the business were mainly students, teaching and non-teaching staff of the school

Source of funds

The sources of funds for the school business project were as follows:

No	Source	Amount (shs)
1.	Membership fees each shs 20,000	800,000
2.	Sale of shares	300,000
3.	Gifts and offer	200,000
4.	Loan from school administration	100,000
5.	Suppliers credit / trade credit	100,000
6.	Customers' / students' advances	50,000
	Total	1,450,000

Description of the premises and Assets.

The business had a small room which was used as a work place, where all the production activities took place like processing, mixing, packaging, storing and marketing.

Assets owned include. The clubs fixed assets like the charcoal stove, small dishes, frying pan, basin, one serving counter table, and packaging materials like polythene bags etc.

Uniqueness of the business, it only dealt in manufacture of snacks in the school and it had unique workers from those of the school canteen.

The business SWOT analysis.**Strength. Things / features / qualities that put business project at an advantage when compared to competitors**

- ✓ Provision of high quality products
- ✓ High and effective entrepreneurial spirit
- ✓ Enough capital got from different sources like membership fees
- ✓ Ability to attract customers
- ✓ Co-operation among members
- ✓ Security from the club members
- ✓ Ready market from club members

Weaknesses

These are constraints that the business that the business products may face in the market.

- ✓ Weak distribution image
- ✓ Location not being close or easily accessible by customers
- ✓ Few products
- ✓ Too narrow product line
- ✓ Higher overall unit costs relative to key competitors
- ✓ Location not being close or easily accessible by customers
- ✓ Inability to finance needed market changes
- ✓ Being new in the market and having a weak market image
- ✓ Inappropriate distribution of products by restricting to only school community – club
- ✓ Poor time management/time wastage by club members.
- ✓ Misuse of business funds by club executives.

Opportunities. These are external chances that benefit the business if they happen.

- ✓ Increasing number of students in senior one and senior five
- ✓ Merging business with the senior fives
- ✓ Exempted from school charge
- ✓ School administration support
- ✓ Possibility of having big orders on special days' especially visitation days and leavers party days.
- ✓ Changes in market trends due to new developments ie a new school being opened in the neighbourhood.
- ✓ Strategic location (with in the school)

- ✓ Increasing number of students to provide market.
- ✓ Existence of free space /room for operation
- ✓ Adequate Security from school guards, fence etc
- ✓ Financial support from parents, school and other well-wishers etc.
- ✓ Favourable government policy on skilling Uganda.
- ✓ Availability of the required inputs
- ✓ Availability of developed infrastructure such as roads etc.
- ✓ Acceptability by the community

Threats. These are undesirable happenings in the market that may occur to the disadvantage of the business.

- ✓ High competition from the school canteen and other business projects around the school community. This has greatly lowered the business sales.
- ✓ High cost of raw materials and other inputs like wheat flour, cooking oil, onions, eggs and other basic ingredients.
- ✓ Having a busy schedule at school hence creating little or no time to carryout business activities.
- ✓ Increased cases of bad debtors as some teachers and students default business' money.
- ✓ Entry of lower cost business in the market
- ✓ Increased bargaining power of students, teachers and suppliers

Type and nature of the business. It is a manufacturing business.

Entrepreneurial skills practiced in the business;

- ✓ Marketing skills e.g advertising skills, customer care skills, personal selling skills etc
- ✓ Financial management skills e.g record keeping like preparation of financial statements, budgeting, control and use of business funds.
- ✓ Communication skills e.g listening skills, writing skills, techniques of handling difficult customers, how to present a product to customers among others
- ✓ Production skills e.g actual production, branding skills, packaging skills among others
- ✓ Personnel/ interpersonal/human resources management skills e.g training, motivation of business workers, recruitment of rightful workers among others.
- ✓ Risk management skills e.g ways of ensuring security, ways of handling business risks among others.
- ✓ Creativity and innovation skills. We manage to come up with something new and innovative solutions to students needs.
- ✓ Negotiation skills. Were able to persuade others during the bargaining processes by being clear in communication and able to control emotions.
- ✓ Purchasing /procurement and logistics management skills. Ie procedures of purchasing business inputs and equipments.
- ✓ Time management skills for example ways of ensuring effective time management in the business project ie having a do list.
- ✓ Planning skills. Ie how to determine business goals and formulate policies and programmes for achieving them.

- ✓ Leadership skills/organization skills/ mobilization skills. We learnt how to direct, influence and motivate members and workers to perform their duties.
- ✓ Technical skills e.g computer skills, carpentry skills, engineering skills etc

FACTORS THAT FAVOURED THE ESTABLISHMENT OF THE BUSINESS PROJECT

- ✓ Availability of ready market. Students had a high real demand for the business snacks for example a school had a big student population of about 700 and above.
- ✓ Availability of raw materials, got from cheaper and reliably source.
- ✓ Availability of space, there was enough space near the kitchen, which was used as the project premise, where production was taking place.
- ✓ Presence of good infrastructure in form of buildings and hydroelectric power to improve on the security.
- ✓ Support by the school administration and management in form of financial assistance for example the school granted the business project interest free loan of shs 100,000, the school also offered a single room to the project where production and selling used to take place.
- ✓ Availability of required inputs that were all the time acquired from the nearest source (town) like cooking oil, onions, eggs, flour among others.
- ✓ Presence of Security at the school to provide security to the business premises and stock, this increased on safety of business fixed assets and stock.
- ✓ Ability to manage the business due to skills obtained from entrepreneurship education like negotiation skills, marketing skills, financial management skills among others
- ✓ Availability of required networks within the school due to effective communication
- ✓ Availability of enough capital to operate the business which was raised from different sources such as membership subscription fees, loan from the school administration, donations, fundraising and savings in the club

ACHIEVEMENTS OF THE BUSINESS CLUB

- ✓ Sales target.
- ✓ Production target
- ✓ Profit target /level
- ✓ Skill development
- ✓ Market share/customer base
- ✓ Recognition of the project /establishment of good will
- ✓ Employment creation
- ✓ Cost minimization
- ✓ Dividends realization
- ✓ Provision of social responsibility
- ✓ Cleaning school compound
- ✓ Utilization of local resources like space, free rooms etc
- ✓ Promotion /creation of unity /harmony among the club members.

RISK AND RISK MANAGEMENT IN THE BUSINESS PROJECT

Challenges faced by the business should include;

(i) The following are the challenges the business is encountering.

- ✓ Insufficient capital for expansion operations. This was due to inability of some club members to clear their membership fees as agreed by the club patron. This was challenge to raise enough capital for the business.
- ✓ Limited skills to professionally perform duties e.g some students lacked skills of making chapattis and half cakes.
- ✓ Decision-making was not easy and this was due to large number of business members, so a lot of consultation was needed before implementation of a decision for a business like purchasing decision, production decision.
- ✓ High cost of raw materials and this reduced on the business working capital thus lowering on the profit sharing ratio of business partners for example the price for wheat flour was hiked from 5,000 to 7000 per packet.
- ✓ High competition with similar businesses like the school canteen and shops around the school community, this reduced on the market share of the business project thus low profits.
- ✓ Challenges of bad debtors as some students and teachers didn't want to pay their dues, this tied a lot of business capital in debts thus unable to finance production activities of the business
- ✓ Limited space for carrying out production work. We were given a small room there production was taking place.
- ✓ Challenge of supervising labourers (students) since most them never wanted to work.
- ✓ Limited market due to increased changing in customers' taste and preference most especially senior ones and senior twos
- ✓ Limited time to participate in business project activities, this was brought by the school tight programmes, the business operated once in a week
- ✓ Sabotage /Resistance from some teachers and the school administration. Most teachers like Ms. Aisha had interest in making the same business due to abnormal profits.
- ✓ Challenge of rewarding the members/owners of the business. Since most of them were not actively participating in the production activities but they wanted to get equal share of business profits.
- ✓ Loss/theft of business products and property/funds. The financial treasurer took most the business funds for her personal use. This was found out by our teacher Mr. Fred after auditing the project's books of accounts.
- ✓ Uncooperative members. Most business members never wanted to work as directed by the club patron, there was also division among the students and this made conflicts possible during the production process.
- ✓ Bad weather such as heavy rains and scorching sun, this stagnated the business activities thus making loses since no activities.
- ✓ High operation costs such as high cost of buying raw materials, high costs of paying labourers, high cost of transporting raw materials from the market centers.
- ✓ Unreliable utilities for instance unstable power which was on and off. This affected so much the production of some business products such as blending of juice and popcorn production.

- ✓ Accidents at work place. For example most students burnt and cut themselves when carrying out the production activities. A case in point was Nalubega Sophie who burnt herself cooking oil when deep frying chips.
- ✓ Challenge of maintaining good quality products /services.
- ✓ Use of improper /inappropriate technology or challenge of changing technology. For example juice was made using hands.

MEASURE TO OVERCOME THE ABOVE CHALLENGES BY / THROUGH

- ✓ Advertising e.g. putting posters on the notice board to sensitize the students about the business products, where to find them, their prices and how to handle them.
- ✓ Ensuring quality production, this was done through setting quality standards to be observed during production process, working from clean environment, sourcing from quality supplier and motivating workers to increase on their morale.
- ✓ Price reduction to attract more customers and out compete business rivals like school canteen like the price of chapatti cost shs 400.
- ✓ Selling mainly on cash basis to reduce cases of bad debtors and credit to only credit trustworthy customers like teachers, prefects and school administrators.
- ✓ Sourcing raw materials from cheap suppliers to increase on the profitability of the business project.
- ✓ Improving on the entrepreneurship skills such as marketing skills, managerial skills, negotiation skills (for best prices), financial management skills among others.
- ✓ Monitoring the activities of competitors (school canteen) to learn from them so as to improve on the production activities.
- ✓ Having friendly dialogue with the school management to accept practical entrepreneurship in the school on a daily basis or twice a week.
- ✓ Selling shares to increase on the business funds for example the business sold 100 shares for shillings 200 each to interested members like prefects and teaching staff.
- ✓ By looking for new markets outside the school to expand on the market size and counteract stiff competition with school canteen.
- ✓ Capitalization of the business through borrowing from the school administration shs 100,000, fundraising to increase on the business capital.
- ✓ Improving decision making through training consultations, following set guidelines most especially by the club patron.
- ✓ Conducting training and retraining of members to improve on their skills.
- ✓ Rewarding members according to the set guidelines basing on participation, share capital contribution etc
- ✓ Safeguarding business property by keeping it in secure rooms and maintaining proper records/ improved or tightened security.
- ✓ Disciplining the uncooperative members by firing them, enforcing work schedule, sensitizing them etc
- ✓ Provision of guidance and counseling about importance of practical entrepreneurship education/sensitization about the benefits of practical entrepreneurship education.

- ✓ Cost minimization by members doing the work themselves buying inputs from cheaper sources, using free school facilities etc
- ✓ Using alternative sources of utilities e.g firewood for electricity /charcoal, fetching water from the stream / well
- ✓ Use of protective gears / equipment like gloves, gumboots etc /frequent cleaning of the work station.
- ✓ Improving quality through use of skilled use of good quality raw materials etc
- ✓ Improving technology through technological transfer technological development etc like using of blending machine, popcorn machine,

WAYS OF MAINTAINING SECURITY IN THE BUSINESS

- ✓ Checking thoroughly all vehicles, motor cycles and persons entering or leaving the school at the entrance.
- ✓ Installing security lights and switching on them at night to improve on the lighting system of the school and the business club premises.
- ✓ Having in place a well maintained fence and monitoring it at all times by the club and school security personnel.
- ✓ Installing security monitoring equipment like CCTV cameras, alarm systems
- ✓ Employing well-armed and well trained security workers and giving them clear instructions relating to security.
- ✓ Placing warning notices relating to security at different points within business and outside the premises.
- ✓ Restricting permission to enter the business to business customers, workers and other permitted business parties such as the club patron.
- ✓ Installing fire extinguishers at the business work place.
- ✓ Ensuring that all club workers wear ENT club business uniforms that have name and number tags on them at all times during working time.
- ✓ Ensuring close supervision of all club workers while carrying out their duties to minimise theft.
- ✓ Safely locking all business movable assets like cash, work equipments etc.

WAYS OF ENSURING SAFETY /MINIMISING LOSS OF BUSINESS FUNDS/CASH

- ✓ Ensuring proper documentation of all cash received and paid out.
- ✓ Securing and depositing the business's cash to the school bursar immediately after receiving it. This was done by the club treasurer.
- ✓ Keeping the remaining cash at the business premises safely locked up in the money safes and also locking the doors to the cash safe rooms.
- ✓ Ensuring that only authorised personnel like the club treasurer received cash receipts and recorded all cash received in the cash receipts and other relevant books.
- ✓ Ensuring that all cash expenditures are requested for through the club president and club treasurer and then approved by an authorized like the patron.
- ✓ Prohibiting any cash drawings from the business but if allowed then restricting the amount and charging interest on the amount withdrawn. For example we charged 20% on any drawings made by members.
- ✓ Ensuring timely collection of debts within one month or as soon as they are incurred so as to avoid losing money due to bad debts like unfaithful students such as Kato and Kamoga.

- ✓ Buying business items from a nearby reliable and cheap supplier like from Gangu trading centre in order to minimize high expenditure due to high transport costs.
- ✓ Employing certified auditors to check the accounts records for error and fraud and this was done by our patron who is a public certified accountant.

PRODUCTION MANAGEMENT IN THE BUSINESS CLUB

PRODUCTION PROCESS /STEPS /ACTIVITIES FOLLOWED BY YOUR BUSINESS PROJECT.

The following are the production activities followed by SUPER QUALITY SNACK PACKERS our business project. Dealers in Production of high quality snacks like chapattis, samosas and cakes.

- ✓ **Carrying out market research.** Our business marketiers collected market information such as price information, quality information etc from students and teachers about the proposed products to put on market as to get their opinions to enable future decision making.
- ✓ **Developing the product idea.** This was developed through brain storming sessions that were held by the members of the school project.
- ✓ **Translating the product idea into product design.** Cakes with oval shape flavoured with lemons were developed.
- ✓ **Acquiring required inputs and raw materials** like cooking oil, baking flour, flavours, wheat flour etc among others.
- ✓ **Carrying out actual Production** ie this was carried in our production room using equipments like charcoal stoves, ovens among others.
- ✓ **Packaging the products** ie they were packed and wrapped in paper bags and boxes, paper bags.
- ✓ **Branding the product.** Unique names like super quality Kawoomera cakes were named after our business products.
- ✓ **Storing the products.** Finished products were stored in store and wrapped in boxes.
- ✓ **Distribution of the products.** They were directly distributed through door to door by the business salesmen during breakfast and lunch hour.
- ✓ **Making a follow up with customers** to find out how the product is performing in the market. Customers were visited directly to their classes and dormitories and were asked whether the products sold to them met their expectations like Quality.
- ✓ **Making any improvements in the products desired.** These improvements included Quality improvement through adding more flavours in cakes made.

FACTORS AFFECTING PRODUCTION DECISION

Facilities and organisations. Efficient production facilities like blending machines, charcoal stove, popcorn machine, and other equipments promoted production of more goods.

Sale potential. Products with high turnover such chapattis, pan cakes, chips were produced the most especially during visitation days unlike chips which customers could hardly buy.

Production cost. High production costs such as high cost of raw materials such as wheat flour discouraged the production of more goods for our customers.

Money requirements. Availability of enough funds of an average of shs.1,000,000 sourced from club members and donations acquired from well-wishers supported production of more products like samosas, chapattis, chips, cakes among others.

Labour requirements. Workers with required skills to support production of business products like club members, supporting school staff, distributors etc were adequately and cheaply available and this enabled us to produce more products.

Supply sources. Availability of reliable suppliers like M.K traders kibuye suppliers of wheat flour encouraged us to produce more chapattis.

Transportation. We produced more goods due to availability of transport services offered by the school van which enabled us to access distant customers.

Acceptance by school community. Goods that were socially accepted by the school were produced more for example chapattis, chips and pan cakes.

Legal requirements. Samosas were produced more since the school legal requirements were favourable to its Production.

PROCEDURES/STEPS/PROCESS FOLLOWED WHEN PURCHASING IN PUTS AND EQUIPMENTS.

- ✓ Determining business needs. e.g Need for equipments like charcoal stove to support production.
- ✓ Identifying potential suppliers. These were QUALITY SUPER MARKET KYENGERA, kibuye market stall etc suppliers of quality in puts like flavours.
- ✓ Contacting the suppliers. These we're contacted through making phone calls to them, making personal visits to them etc.
- ✓ Selecting the best supplier. Quality supermarket KYENGERA was selected and it supplied us with flavours of high quality at a price which was affordable.
- ✓ Ordering for goods. Purchase orders were sent on phone to the selected business suppliers.
- ✓ Checking the goods as soon as they were received. They were carefully checked to confirm whether items sent directly corresponded with items indicated on the delivery notes.
- ✓ Checking the invoice to ensure that it is correct. This was also checked against the invoices sent.

DOCUMENTS USED IN THE PURCHASING PROCESS OF THE BUSINESS CLUB.

- Letter of inquiry. This was sent by the business club to potential supplier to establish goods available, their nature, quality and quantities and prices required.
- Quotation reply to the letter of inquiry which stated the supplier's prices, type of goods, lead time, warranty (if any), payment terms and conditions.
- (Local) purchase order form. This was a document sent to the supplier requesting to be supplied with goods stipulated, their quantities and quality.
- Package sheet – named items
- Delivery note – sent to the buyer along with the goods showing goods delivered
- Payment voucher- authorize payment
- Cash sale receipt /slip – when good shave ben sold on cash basis
- Invoice – sent when goods have been sold on credit / details of goods that have been sold on credit & amount due.
- Proforma invoice
- Cheque
- Goods returned note- accompany goods returned to the supplier
- Goods received note – written by the buyer to be sent to the supplier to acknowledge the receipt of goods.
- Advice /dispatch note – sent by the supplier /seller to the buyer to acknowledge the receipt of LPO (limited Purchase Order) & when goods order will be released.
- Debit note – to correct undercharge on goods sent
- Credit note – to correct overcharge on goods
- Cash receipt- issued when cash has been received from the person/ issued by the seller to the buyer to acknowledge receipt of money or payment of goods & services.

FACTORS CONSIDERED WHEN SELECTING THE RIGHT SUPPLIER OF RAW MATERIALS

Terms and conditions of payment. We selected Maama Aisha a supplier of raw materials since she could supply us on a credit basis terms and hire purchase.

The lead time. We choose Maama Aisha a supplier of raw materials whose lead time instant delivery.

Distance from the supplier. We chose cheap supermarket because it is just 10 meters away from the school premises.

Quality of materials supplied. Kaswa wheat flour was selected because it was dust-free and lemon Flavoured.

The price at which the supplier was selling raw materials. We chose cheap supermarket because it sold to us wheat flour at cheap price just 4000 shillings per packet.

Consistency and reliability of a supplier. Cheap supermarket Gangu was selected because it was always open seven days a week and closed late at 10.00pm.

Amount of waste from the production process. Business club preferred to use raw materials that produce fewer wastes to those that produce many waste.

Quantities available for supply. Business club selected cheap supermarket Gangu because it could supply us with wheat flour in all the required quantities.

SELECTION OF RAW MATERIALS

FACTORS TO BE CONSIDERED WHEN SELECTING RAW MATERIALS FOR A MANUFACTURING FIRM

Source of raw materials. We selected Kaswa wheat flour because it was supplied by Cheap supermarket Gangu which is closer to the school premises.

Cost of raw materials. We Selected Kaswa wheat flour since it was cheaply supplied at shs.4000 only a packet.

Quality of raw materials Kaswa wheat flour was selected because it was dust-free compared to other brands.

Terms and conditions for purchase. Kaswa wheat flour was selected because it could be supplied on credit.

The lead time. Kaswa was selected because it could be instantly delivered.

Availability and reliability. Fortune cooking oil was selected because it could be available whenever it was needed in all nearby shopping centers.

Risk of damages, the business club used raw materials that was less likely to get damages such as Kaswa wheat flour.

Amount of waste, business preferred Kaswa wheat flour because it could produce less wastes compared to other brands.

Amount of raw materials to be maintained in inventory. For goods that were bought immediately we stored more raw materials to enable continuous production and for slow moving goods fewer raw materials were maintained in stock.

PRODUCTION REQUIREMENTS USED BY A SCHOOL BUSINESS PROJECT.

- ✓ Premises (production room)
- ✓ Motor vehicles for transporting raw materials and finished goods
- ✓ Fittings and furniture for usage in the project
- ✓ Raw materials and consumables like eggs, oranges, wheat flour, baking powder, blue band, milk, cooking oil, salt etc.
- ✓ Baking trays for baking the cakes
- ✓ Oven to assist in baking the cakes

- ✓ Blender for mixing ingredients like tomatoes, carrots among others.
- ✓ Dishes, source pans and other utensils to assist in mixing ingredients
- ✓ Packaging materials like boxes, paper bags, polythene bags.
- ✓ Bulbs for providing light.
- ✓ Labour to carryout production work.
- ✓ Water tank to store water for project activities

OPERATIONAL ACTIVITIES OF THE BUSINESS PROJECT

- ✓ Purchasing inputs for example every Thursday inputs like onions, salt, flavours were purchased by the purchasing manager.
- ✓ Carrying out actual production. This was carried out weekends and products like mandazi, samosas were produced.
- ✓ installation of machinery (if any)
- ✓ Packaging of products. The business products were being packaged in polythene bags, paper bags and student's containers
- ✓ Branding of the products. The business products were given a unique and attractive brand name that is to say SUPER QUALITY SNACKS which was printed on paper bags for easy identification of business products
- ✓ Advertising and sales promotion. This carried out by the sales and marketing department which used to announce the products and their prices on every Monday assembly, discounts were also offered to large quantity buyers
- ✓ Selling and distribution of commodities. The products were being sold from the production premises near the girl's dormitory on Thursday and at times members could hawk the products to different classes and staff room in search for customers
- ✓ Storing of products. After production some unused and un finished products were kept in sack (plates, basins, frying pans), cooking oil in jerry cans while finished products in plastic buckets
- ✓ Financial management. The club treasurer maintained a cash book to record day sales and expenditures. All cash got during that day was being kept with the school bursar
- ✓ Carrying out market research. projected business members used to collect information from students and teachers by use of questionnaires and interview guided techniques to inquire about the proposed products so as to get their opinions to enable future decision making
- ✓ Organizing meeting. The business secretary used to arrange and call for meetings every once in a month where members could make informed decisions about the business project.

MARKET GAPS

- ✓ Poor quality products e.g some daddies are mixed up with oil content
- ✓ Limited varieties commodities.
- ✓ Low volume of stock

- ✓ Poor distribution channels used for example they mainly depend on the direct channel ignoring other channels.

HOW TO FILL THE GAPS

- ✓ By improving in quality through using good quality raw materials, proper storage, proper packaging etc.
- ✓ By increasing on the variety of good produced ie chapattis, samosas, chips, pan cakes among others.
- ✓ By improving on the advertising on school assemblies and school notice board.
- ✓ By expanding the market size so as to encourage large volume of production.
- ✓ By improving on the distribution channel of goods.

TOOLS FOR INVENTORY MANAGEMENT

Re-order level. . The re-order level was 4 packets wheat flour and 2 tray of eggs before we make new orders.

Lead time. Ie it took the business 2 hours to receive goods ordered.

Working capital. Our business had an average working capital of shs 500,000 to meet the daily needs of the business like raw-materials, stationary among others.

Asset register. A document used to record and establish the number of assets at the end of each term.

EXAMPLES OF INVENTORIES KEPT BY YOUR BUSINESS PROJECT.

- a) Raw-materials e.g. wheat-flour.
- b) Goods in progress like dough.
- c) Finished goods e.g cakes, samosas.
- d) Stationary materials like files, books, pens etc.
- e) Office equipments like calculators, computers etc.

WAYS THROUGH WHICH YOUR BUSINESS PROJECT MANAGED ITS INVENTORIES.

- ✓ Carrying out periodical stocktaking. E.g. It was weekly conducted by the club stores manager.
- ✓ Carrying out periodical auditing of the business stock.eg. This was monthly conducted by the club auditor.
- ✓ Keeping proper Business records like sales records, production records etc.
- ✓ Determining reorder levels. i e. 2 packets of wheat flour.
- ✓ Labeling the business assets e.g All the club charcoal stoves were labeled by the club names
- ✓ Determining the lead time. It was just one day before ordered materials were received.
- ✓ Employing skilled personnel to handle materials. E.g. trained stores manager.

- ✓ Ensuring proper storage of finished Products e.g. all materials were kept in a dust and water free room.
- ✓ Maintaining sufficient working capital. i.e. We had average of shs.400000 as working capital.
- ✓ Ensuring tight security. All stores where inventories like raw-materials were kept were secured with strong padlocks.

THE CONCEPT OF STORE MANAGEMENT

Store refers to places where stock of raw materials or goods are kept before they are sold or dispatched to business which ordered for them

TOOLS FOR EFFECTIVE STORE MANAGEMENT

Stock cards. These were used to record stock received and issued in the store like wheat flour, cooking oil etc. .

Physical and stock counting. This was conducted on a weekly basis by the stores manager.

Stock reconciliation. The business club updated and balanced all the records regarding what was in the store on the daily basis.

Stock evaluation. This was also conducted weekly after stock counting to ascertain the value of the stock counted.

PRODUCTION MACHINERY, EQUIPMENT AND FACILITIES

- i. **Machinery.** For example a blending machine, recording and counting machine, popcorn machine among others.
- ii. **Equipments.** Examples of equipments include business computer, cash counter, calculators, cutleries, utensils among others
- iii. **Tools.** ie axe, hammer, spade, knives slashers , among others

FACTORS CONSIDERED WHEN SELECTING MACHINERY, EQUIPMENT AND TOOLS

Capacity of machines and equipment ie Electric oven was selected because it could produce many cakes in shortest period possible.

The initial cost of machinery and equipment. A local charcoal stove was selected because it was cheaply sold at shs.10,000 only.

Ease of maintenance and repair. We chose a manual oven since its repairing cost was low.

Flexibility of the equipment and machinery. We chose electric blender because it could be used to produce different types of juice like apple blended juice, orange blended juice etc.

Productivity and efficiency of machinery and equipment. Electric blenders were selected because they could produce well blended juice compared to the manual ones.

The durability of the machine. An electric blender was selected because it could last for long compared to manual ones.

Guarantee given by manufacturers. Blenders manufacture red by japan we're selected since they are guaranteed unlike those ones processed from other countries like china.

Users – friendly of the machinery. Electric blenders made in Japan were selected because they were noise free when blending juice.

Power consumption of the machine. Blenders made in Japan were selected because they could consume less power compared to other brands.

Skills required to operate machine. Blenders with Japan brand were selected because they required less skills to operate.

Origin of the machine. We chose blenders made in Japan because of their better quality.

Ways of ensuring proper machine handling, use and safety in a business club.

- ✓ Switching off machines in case of any break down like the blending machine was always switched off while not in use or any break down.
- ✓ Ensuring that machines are thoroughly checked before switching them off and making sure power is off before pulling out the plug.
- ✓ Following instructional labels and guidelines on the use of machines. Ie for blending machine, plug in, take off the lid, take the blender and put fruits in the cup among others.
- ✓ Cleaning the surface of the machines with a dry cloth. No need to use corrosive detergent or solvent to clean and never to swash the machine with water.
- ✓ Using machines for work they designed for like blending machine for making juice and popcorn machine for making popcorn only
- ✓ Ensuring close monitoring and supervision of workers and the production process to reduce on the risks of accidents.
- ✓ Cleaning off the machines frequently and oiling all hand lubricating points daily to minimize wear and tear of the machine.
- ✓ Training of workers on the usage and Maintainace of machinery and this was done by the club patron.
- ✓ Attaching proper guards or warning labels to dangerous moving parts of machines and power transmission equipment.
- ✓ Providing safety devices to workers like hand gloves, helmets, gum boots, masks, overall among others.

- ✓ using the authorized centers for repair and not attempt to repair or change any part by the club members
- ✓ Switching off the appliance and disconnect from supply before changing accessories or approaching parts that move in use.
- ✓ Using trained and experienced labour force so as to avoid machine accidents.
- ✓ Installing warning devices which can alert in case of any likely danger like stand by alarm in case of any default.
- ✓ Making use of the closest power point when plugging in for use for example next to the work place station.
- ✓ Avoiding messing up with machines if they are still plugged in or still running.
- ✓ Where the machine is not in use for a prolonged period, it is turned off, unplugged, packed well, and stored in dry and cool place.

Control of hazardous substances

Refer to dangerous materials to workers e.g broken glasses, chemicals, contaminated food.

Hazardous substances in the business project may include the following.

- ✓ Litter in the school company with polythene bags, paper bags among others.
- ✓ Slippery floor surfaces
- ✓ Some chemicals like hot cooking oil used as input.
- ✓ Smoke and other emissions from the business project activities
- Chemicals used in production.
- Broken materials like glasses.

Reasons for controlling hazardous substances

- ✓ To minimize losses in business
- ✓ To improve or enhance quality
- ✓ To improve health complaints among workers
- ✓ Need to promote efficiency/ productivity of workers
- ✓ To minimize or control pollution
- ✓ To avoid accidents
- ✓ To maintain good relationship within the society

Ways of controlling hazardous substances in an enterprise.

- ✓ Keeping hazardous substances in covered containers and always kept by our business club patron and well labeled to avoid being exposed to every worker.
- ✓ Substituting with non or less hazard ones for instance organic solvents were substituted with caustic soap.
- ✓ Providing adequate and appropriate types of protective equipment like gloves, helmets, aprons, masks, ear plugs among others so as to reduce direct exposure to such dangerous substances.
- ✓ By ensuring proper disposal of hazardous substances far away from the business premises e.g dust bin
- ✓ Training of staff and educating clients, visitors, community on management of hazardous substances.
- ✓ Provision of stand by emergency facilities for instance first aid box and fire extinguishers which were used as first aid in case of an emergency.

- ✓ Through reading and understanding instructions on the hazardous substances before using them
- ✓ Recycling of polythene, bottles among others.
- ✓ Ensuring proper lighting facilities or ventilation
- ✓ Providing warning labels on hazardous substance or areas to minimize accidents. For instance “ **can cause severe Burns**”
- ✓ Developing general rules on safe working habits and publicizing them e.g washing hands with soap, changing clothes and cleaning the environment
- ✓ Through maintenance of health and safety records or statistics

WAYS OF MINIMIZING COSTS

- ✓ Paying labour a low wage for example cleaners’ wages were reduced by 10,000 per day to 8,500 per day.
- ✓ Making labour work for long hours ie from 10am – 5pm.
- ✓ Buying in bulk to minimize expenses on transport for example we could buy a carton of wheat flour every week instead of buying in packets.
- ✓ Reducing fringe benefits for labour e.g transport and medical allowances
- ✓ Buying raw materials from the cheapest source
- ✓ Reducing discount rates to minimize expenses incurred on discount e.g discount allowed was reduced from 5% to 2%.
- ✓ Avoiding unnecessary costs ie un planned expenditures
- ✓ Employing few workers to incur less payment costs. E.g We employed only three external employees that were meant to be paid.
- ✓ Using alternative cheaper sources of energy e.g use of solar energy

Maximizing profits

- ✓ Reducing credit sales most especially to un trust worthy students.
- ✓ Buying in bulk to minimize expenses on transport e.g we could buy a carton of wheat flour.
- ✓ Producing variety of products e.g samosas, chips, chapattis among others were produced to diversify profits
- ✓ Opening up different branches in different points of the school that is to say at the school canteen, trading centres among others.
- ✓ Carrying out mass production for example production of 10 packets of wheat flour every weekend.
- ✓ Producing quality production e.g production of dust free snacks
- ✓ Increasing the price of the product ie a plate of chip cost shs 1,500 instead of shs 1,000
- ✓ Involving students themselves in doing the club work than employing paid employees.
- ✓ Buying raw materials / stock from cheaper sources/ in bulk to enjoy discount
- ✓ Reducing advertising costs by announcing the products/services on assembly.
- ✓ Using cheaper packaging materials ie students containers
- ✓ Using school free facilities such as premises, utilities, security, transport etc.
- ✓ Providing quality products ie chips, chapattis, pop corns among others.

Internal control systems of a business

- a)** Purchasing selected suppliers with friendly prices were selected for raw material supply e.g kamu-kamu whole-salers kibuye.
- ✓ Quality control. Quality raw-materials were purchased to ensure Quality production like dust-free wheat flour.
 - ✓ Employee morale. Employees were properly motivated through training. e.g. weekly workshops were conducted to update employee skills.
 - ✓ Cost controls. Operating costs were minimized such as transport costs. This was done through purchasing raw-materials near the school premises.
 - ✓ Pricing controls. Prices were properly controlled by charging profitable prices that could help us to recover the operating expenses. e.g. each samosa was sold at shs.500.
 - ✓ Proper record keeping. These were properly kept such as production records, sales records etc.
 - ✓ Internal audit. This was monthly conducted by the club auditor Mr kimuli Fred.
 - ✓ Safeguarding business assets/physical controls. This was conducted through stock taking which was weekly conducted.
 - ✓ Supervision. This was conducted by the club chief supervisor on the daily basis during production.

MEASURES THAT WERE EMPLOYED BY YOUR BUSINESS PROJECT TO ENSURE QUALITY PRODUCTION.

- ✓ Ensuring proper storage of finished products. i.e they were kept in water free room.
- ✓ Using quality raw materials such as dust-free wheat flour and flavour cooking oil such as fortune cooking oil.
- ✓ Ensuring proper hygiene of the business premises. This was done through daily mopping of work stations.
- ✓ Ensuring regular cleaning of business premises. This was done through daily sweeping and fumigation.
- ✓ Using appropriate packaging materials such as paper bags, containers among others.
- ✓ Using an appropriate distribution channel like door to door selling.
- ✓ Regular inspection monitoring and supervision of the production process and this was done by the production manager.
- ✓ Employing labour with appropriate skills such marketing skills, production skills among others.
- ✓ Sorting products before they were sold to our customers.
- ✓ Motivating employees- by training staff e.g. Weekly training workshops were conducted as a form of motivation.
- ✓ Following technical specifications regarding quality and quantity
- ✓ Carrying out market research. This was done by the club marketiers to find our customers view about the products and carry on improvement.
- ✓ Using appropriate technology like electric blenders were used to blend juice.

FACTORS THAT INFLUENCE THE GENERAL QUALITY STANDARDS OF AN ENTERPRISE

Selection of raw materials that are used as inputs in production. The use of good quality raw materials (wheat flour (Kaswa), cooking oil) yielded quality products such as cakes, chapattis and chips.

Cleanliness of the environment under which the product was being developed. We worked from clean environment under which a product was produced thus production of high quality goods.

Packaging. We used a high and attractive packaging materials such paper bags which were blue in colour.

Storage of raw materials and finished goods. Proper storage of raw materials and finished goods promotes production of quality products.

Limits of deviations from set standards ie goods were produced basing on the set standards

Machinery used in production. Machines of high quality such as blender, popcorn machines were selected to produce quality products.

Availability of necessary skills for the production of products. Members with required skills (marketing management skills) were employed to produce high quality goods.

Product design and development. Right product designs as demanded by customers lead to quality output.

Why is necessary to observe quality in a business

- ✓ To improve the brand image of the business.
- ✓ To reduce costs of production ie pay less wages to workers
- ✓ To create consumers' loyalty and acceptance
- ✓ To facilitate standardization of the business products ie through production of uniform products or service.
- ✓ To comply with the quality standards prescribed by the relevant authority e.g UNBS and school authority.
- ✓ To produce quality products ie quality chips, chapattis among others.
- ✓ To compete with other competitors in the same line of business such as the school canteen.
- ✓ To determine product costs and price at competitive levels in advance of production.
- ✓ To achieve business objectives concerning quality specification.
- ✓ To maintain business customers through improved quality.

EMPLOYEE MORALE IN YOUR BUSINESS PROJCT

Ways of improving employee morale in the business project.

- Ensuring better remuneration of the employees. i.e Adequate weekly wage payment of shs .20,000 was paid to cleaners.
- Ensuring timely payment of workers. i.e every day the business paid its cleaners shs 10,000 on spot whenever they could finish up their work.
- Paying Workers extra pay for overtime work done i.e after 4pm we paid shs 4,000 for extra per hour worked.
- Offering Workers fringe benefits or non-monetary rewards like free food for lunch.
- Promotions of the workers was based on merit, seniority, excellence at work. For example Kato was promoted to mobiliser since he was working hard for the success of the business.
- Giving rewards to employees for better work done. E.g certificates of appreciation were given out.
- Involving employees in decision making .This was done through weekly meetings chaired by the club president.
- ✓ Training or be trained periodically to acquire new skills every end of the term for example students acquired new skill such making liquid soap, candle making among others.
- ✓ Bonuses or rewards were given to workers who excel or for specific good performances like the club sales manager for achieving the sales target.
- ✓ Good / favourable working conditions shall be provided to the workers e.g providing good hygiene, providing required quality tools, machinery and equipment.
- ✓ Best performing workers were recognized and rewarded e.g best employee for the month, year, smartest employee etc.
- ✓ Duties and responsibilities of each member were appropriately delegated to each member for proper flow of activities in the club.
- ✓ All members were treated with respect at all levels in the organization irrespective of workers' position/post.
- ✓ Members were assured/offered job security by the management since their membership could expire after 2 years of study.
- ✓ Products were sold by the business club to the members at reduced prices. For example chapattis sold at shs 400 each than a market price of 500 shillings.
- ✓ Proper disciplinary procedures were followed in the business club in order to maintain proper discipline among the workers

Financial analysis. It involves analyzing the costs and the sales (price) to ensure that the business costs are lower than the revenue hence operating at a profit.

Cost control. This involves reducing the costs of production in order to operate at a profit.

WAYS OF CONTROLLING COSTS

How production costs were minimized in the business;

- ✓ Employing few motivation strategies to workers like paying them in time, involving students in decision making among others.
- ✓ Employing part-time workers and were paid shs 1,000 per hour worked.
- ✓ Paying labour low wages ie shs 1,500 per day for each worker.
- ✓ Buying production materials from the cheapest/friendly sources e.g raw materials, packaging materials.
- ✓ Making labour work for longer hours for example from 10 am – 6 pm for three days a week.
- ✓ Carrying out activities /work by the club Members themselves.
- ✓ Avoiding unnecessary costs such drawings for personal use, paying for idle time among others.
- ✓ Reducing fringe benefits for labour for example the club patron reduced on the overtime allowance from shs 1,000 per hour to shs 700 per hour.
- ✓ Making use of free facilities offered by the school like idle former s.1 class room next to school canteen.
- ✓ Using cheaper alternative power and other utilities such as bio gas made by the science students and solar for lighting.
- ✓ Ensuring effective and efficient supervision and monitoring most especially during the production process.
- ✓ Encouraging specialization and division of labour.
- ✓ Fixing time standards for all business operations for example minimum (2 hours) and maximum time (2 and ½ hours) this reduced on time wastage.
- ✓ Observing/following technical specifications.
- ✓ Providing proper storage facilities (and proper storage management system).
- ✓ Giving clear instructions to club members in line with their duties and responsibilities.
- ✓ Training club members periodically, this was done at the end of every term.
- ✓ Buying in large quantities to enjoy trade discounts

How did the business project members waste time?

- ✓ Talking with people about personal matters unconnected with work most business club members like Namata and Nakato were conversing about television plays on NBS and Bukedde TV.
- ✓ Having unnecessary or extra-long group meetings ie for more than 3 hours.
- ✓ Allowing too many interruptions at work like gossiping most especially on weekends.
- ✓ Being disorganized by having no specific goals and targets most especially during the production period.
- ✓ Engaging in little or no delegation since most of the work was done by the club president and his vice.
- ✓ Being indecisive ie failure to make decisions this was due to many members in the club since every member had a different point of view.

- ✓ Being late or absent for work or leaving early. E.g Some members could come 30 minutes late for production work.
- ✓ Role conflicts. For example male students never wanted to wash utensils saying it's meant for female members.

HOW TIME WAS MANAGED IN THE BUSINESS CLUB

- ✓ Setting periodical targets / goals were set for example the club patron set the sales targets per day of 100 chapattis.
- ✓ Delegating work. We could delegate some work to supporting staff of the like cleaning in order to ensure timely production.
- ✓ Setting deadlines for achieving set targets were set like deadlines for reports.
- ✓ Club members started work at e.g 10:00am and stop at 5:00pm most especially on weekends.
- ✓ Preparing a to-do list daily. This acted as a bench mark to guide us to accomplish daily activities
- ✓ Considered biological prime time ie work was to be carried during the day time when everyone is at his / her best.
- ✓ Designing work schedules / time tables e.g Weekly production and marketing schedules we're designed and strictly followed during production and marketing respectively
- ✓ Discouraging private/personal work was to be done during working hours.
- ✓ Sounding warning bells were used for the different programmes/activities ie the patron could sound the bell for breaks.
- ✓ Ensuring strict monitoring and supervision during working hours to avoid time wastage. This was done by the club president.
- ✓ Avoid being perfectionists ie paying unnecessary detail to do things the perfect way wasted a lot of time.
- ✓ Partitioning Offices to allow workers to concentrate.
- ✓ Eliminating unnecessary Personal visitors like fellow students during production to avoid interruptions.
- ✓ Giving penalties to members who could come late for production activities such as suspending them, sending to them warning letters etc.

COSTING IN PRODUCTION

Meaning of costs of production. These are expenses incurred when producing goods and services.

Operational costs incurred by the business;

- a) Interest paid ie on the loan borrowed from our club patron
- b) Salaries/salaries and wages/ labour costs such as paying cleaners and most active workers shs 10,000 per the done work done.
- c) Stationery such as cash books, cash receipts, pens and pencils to record business transactions
- d) Utilities ie shs 6,000 was weekly spent on water bills and shs 30,000 per month on electricity.
- e) Advertising in the school magazine at a fee of shs 4,000 per advert made.

- f) Packaging ie the business purchased packaging materials like polythene bags at shs 5,000, paper bags 3,000 (100 pieces) among others.
- g) Storage costs
- h) Transport ie shs 3,000 paid to barrow boy pusher for transporting raw materials to the school premises.
- i) Discount allowed/sales discount ie 2% to customers who buy and pay cash.
- j) Commission paid to sales persons of the business ie shs 2,000 for every 50 chapattis sold and plates of pilawo.
- k) Bad debts were written off due to failure of business club customers to clear their debt obligations and expensed off in the income statement.
- l) Fines and penalties paid due to failure of the business club to pay to our suppliers on time shs 2,000 per day delayed was to be paid.
- m) Taxes
- n) Repairs/maintenance costs. Ie the repair of blending machines was shs 10,000 per repair.
- o) Packaging. Shs. average of shs 60,000 was spent termly on purchasing packaging materials like boxes, wrappers, polythene bags etc.

Describe at-least five administrative expenses of the club

- ✓ Audit fees expenses (legal accountancy charges)
- ✓ Postage expenses
- ✓ Stationery expenses
- ✓ Communication / airtime expenses
- ✓ Heating and lighting
- ✓ Administrative salaries and allowances
- ✓ Depreciation of furniture

N.B these are expenses incurred by the business during formulation of the business policy, direct control, management and supervision of its affairs

Selling and distribution overheads. These are indirect cost incurred during the selling and distribution of goods and services. Examples of selling and distribution overheads include.

- ✓ Advertising
- ✓ Sales promotion
- ✓ Delivery expenses / carriage outwards
- ✓ Salary of foremen
- ✓ Cost of samples given to potential buyers
- ✓ Free gifts
- ✓ Displays and exhibition materials
- ✓ Printing and stationary (for receipts , price lists, catalogues, invoices etc)
- ✓ Packing cases
- ✓ Insurance for ware house, delivery vans etc

- ✓ **Direct costs/ prime costs** ie costs that can be specifically identified with a particular department or process examples include, direct materials (cooking oil, salt), direct labour costs/direct wages, direct expenses like royalties
- ✓ **Indirect costs/overheads** ie costs incurred during production but which cannot easily be traced to the items being manufactured examples include, utilities ie power and water, depreciation of machines for the business club

PACKAGING IN YOUR BUSINESS PROJECT.

EXAMPLES OF PACKAGING MATERIALS USED IN YOUR BUSINESS PROJECT.

- ✓ Wrappers
- ✓ polythene bags
- ✓ Boxes
- ✓ Tins
- ✓ Bottles.
- ✓ Disposable cups.
- ✓ Paper bags. etc.

FACTORS CONSIDERED WHEN SELECTING PACKAGING MATERIALS IN YOUR BUSINESS PROJECT.

- ✓ The cost of the packaging material. We used Paper bags because they were cheaply available at shs 500 shillings a dozen compared to Polythene bags.
- ✓ The effect of the packaging material on the environment. We used paper bags to pack our products because they were friendly to the environment compared to Polythene bags.
- ✓ The source of the packaging of the packaging material. Paper bags we used were got from kibuye market stall because of being reliable with Quality packaging materials.
- ✓ Portability of the packaging materials ie paper bags, polythene bags and plastic containers were light and easy to carry and we resorted to them.
- ✓ The quality/durability of the packaging material. Boxes were selected because of being durable compared to polythene bags.
- ✓ The nature of the products to be packed. Bottles and disposable cups were used to pack juice yet paper bags were reserved for snacks.
- ✓ Availability of the packaging materials. We used Paper bags because they adequately available in all nearby trading shops around the business.
- ✓ Means of transport to be used when distributing packed products. For juice that was meant to be distributed in distant places was packed in durable boxes.

BENEFITS PACKAGING BUSINESS PRODUCTS ENJOYED IN YOUR BUSINESS PROJECT.

- ✓ Attracted more customers
- ✓ Competitors were out competed like the school canteen.
- ✓ Facilitated easy transportation of business Products.
- ✓ Added value on the products. This made them to be competitively priced.
- ✓ Made products to look attractive.
- ✓ Facilitated easy Product display.

Causes of product failure in your business project.

- ✓ Poor market research e.g some customer data like quality preference was poorly collected
- ✓ Poor quality production e.g production of dustful samosas and other productions since some members were unskilled.
- ✓ Poor distribution strategies used made some customers
- ✓ Poor product packaging e.g poor quality paper bags with dull colour could not attract customers.
- ✓ Stiff competition with product substitutes e.g bread and roasted cassava sold at the school canteen
- ✓ Poor timing in the introduction of the product e.g vegetable samosas were launched on visitation days when students had variety of eats bought by their parents.
- ✓ Negative change in customers tastes and preferences e.g most of the students could hate our vegetable samosas because of their lemon tastes.
- ✓ Unfavourable school policy in relation to our products e.g we were stopped from producing chips and supplying of cooked food to students.

Mechanism which was used in controlling the business assets

- ✓ Cash i.e recording it, using daily cash reconciliation, making frequent banking
- ✓ Accounting receivable ie maintaining a file of accounts receivable card
- ✓ Analyzing accounts receivables on regular basis
- ✓ Inventory / raw materials – setting up a perpetual system, counting inventory physically, placing valuable inventory items in a lockable room, having serial numbers on inventory, analyzing inventory card
- ✓ Physical assets – maintaining a file of information about assets, maintaining depreciable schedules, engraving assets
- ✓ Customers, merchandise – keeping a file by date, not releasing goods unless cash, cheque has been obtained in respect

WAYS THROUGH WHICH QUALITY WAS ENSURED IN YOUR BUSINESS PROJECT.

- ✓ Carrying out market research. This enabled us to identify customers' needs like product tastes and preference
- ✓ Using quality raw-materials.eg .dust free wheat flour was used.
- ✓ Employing skilled personnel. E.g. Weekly training workshops were conducted to update on employee skill.
- ✓ Ensuring proper storage of finished products.
- ✓ Ensuring proper packaging of finished products. Like paper bags were used.
- ✓ Using machines like electronic ovens.
- ✓ Operating from the clean environment. This was done through regular mopping of the production rooms.
- ✓ Using appropriate distribution channel when distributing business products to minimize product damage. e.g. Using door to door delivery.

ASSIGNMENT.

In reference to your business project operated at your school.

- a) Describe the production process.
- b) Explain the factors determined your production decisions.
- c) Present the routine Production activities practiced by the club members of your project.
- d) Explain you factors considered when selecting packaging materials.
- e) How did ensure Quality production in your business project.
- f) What were indicators of wasting time in your business project?
- g) How did you minimize time wasted?
- h) How did you handle and manage your business inventories.
- i) Explain the factors you considered when selecting raw-materials.
- j) What challenges did you face as a result poor time management?
- k) Explain the factors you considered when selecting machinery and equipments.
- l) How did you handle hazardous substances
- m) How did you handle machinery and equipments of your business project?
- n) How did you minimize business expenses?
- o) Explain the factors you considered when selecting business suppliers.

Section C

SECTION C (FIELD ATTACHEMENT /TRIP)

The field attachment gives students practical insights into a wide range of business experiences. The attachment aims to provide a unique opportunity for students to apply their classroom learning in real life situations under the supervision of experienced business owners and staff.

Objectives of field attachment

The field attachment is aimed to enable students to;

- ☞ Learn, develop and apply new skills appropriate to real business setting in which they will be working.
- ☞ Apply knowledge and skills acquired in the academic setting to the practical demands of the real business environments.
- ☞ Develop and apply appropriate interpersonal skills in the institutional setting.
- ☞ Develop and refine the communication skills and business ethics required for working in a business.
- ☞ To enable students develop and apply appropriate interpersonal skills (that is, the ability to work with others) in the real business setting.
- ☞ To instill confidence in the students that will help them easily fit the real environment of work or the real business environment.

KIND OF BUSINESS STUDENTS SHOULD NOT BE ATTACHED TO

As learners are looking for business from where to conduct their field trips, the following businesses should be excluded.

- Gambling businesses
- Businesses dealing with traditional medical practices
- Businesses dealing with pornographic and sex related materials
- Businesses operating at night
- Businesses that involve a lot of hard labour like burning charcoal, brick making etc.

WHAT TO BE DONE DURING FIELD ATTACHMENT BY STUDENTS

The main role during field trips is to observe and document the nature and type of goods and services being provided in the business that a student is attached. Depending on the nature of goods or services being provided in the business of attachment, the host supervisor may assign students some duties to perform as well. Thus the student's roles during the field attachment will be divided into two main areas as follows.

- i. They will be expected to observe and document all sorts of goods or services provided in the business of attachment. The documentation should be made in a diary form clearly indicating the date of observation, the type of goods or services observed, the qualifications of personnel providing such goods or services and comments about goods or services provided and the way they are provided.
- ii. They are likely to be assigned some duties to perform during field attachment. Students will be expected to document in a diary form all duties that they

undertake during field work attachment. These duties should be summarized daily and weekly.

KIND OF INFORMATION TO BE LOOKED OUT FOR DURING FIELD ATTACHMENT

- ✓ **Background of the business.** Under this section, the learner is expected to gather information about.
 - Location of the business (Region and district)
 - When the business was started
 - Nature of the business
 - General description of business
 - Goods and service offered by the business.
 - Nature of customers of the business
 - Sources of funding
 - Vision statement of the business
 - Mission statement of the business
 - Statement of goals and objectives of the business
 - Description of premises and assets
 - Economic and social activities where the business is located
 - Social problems in the area
- ✓ **Organisational structure and production layout.** Here the learner is expected to gather information about
 - Management structure
 - Business relations with other bodies like government
 - Production layout if any
- ✓ **Staff welfare.** Here, the learner is expected to gather information about;
 - Meals, uniform, accommodation
 - Staff development
 - Health and safety
- ✓ **SWOT Analysis of the business.** Under this section, the learner is expected to gather information about the strength, weakness, opportunities and threats of the business.
- ✓ **Field attachment experience.** Here, the learner is expected to gather information about
 - Routine activities and responsibilities
 - Lessons learned during the field attachment with descriptive evidence for example

- Risk management and insurance related information or experiences in the business e.g how it maintains security and safety procedures for managing risk situations and others.
- Communication skills (experiences) or related information. E.g benefits (importance) of effective communication, communication process in the business, forms of communications used in the business.
- Marketing management skills. E.g objectives of market research, marketing strategies used by the business, customer care practices etc.
- Purchasing management skills. Like procedures followed to order for materials, receiving the materials, inventory management practices and stores records etc
- Business idea generation and business opportunities related information e.g how the business idea was generated, what other business ideas can a student develop from the same business, reasons why the business is a good opportunity (viable business) etc.
- Business plan preparation or business planning skills learnt
- Entrepreneurial skills experience information. These include change, creativity and innovations in the business.
- Entrepreneurial motivation. E.g achievement motivation characteristics, benefits and challenges of motivation, factors that hinder entrepreneurial motivation and factors that help development of positive mental attitude.
- Negotiation practices. E.g negotiation principles the firm follows, challenges faced in negotiations and possible strategies for overcoming these challenges, preparations for negotiation, negotiation tactics etc.
- Sales promotion information. E.g objectives of sale promotion, sales promotion strategies used in the business, customer care practices etc.
- Business competition related information. E.g how the business out competes rivals, effects of business competition (both positive and negatives)
- Social entrepreneurship related information. E.g characteristics of social entrepreneurs observed in the business, social enterprise plan writing etc.
- The entrepreneurial environment in the business.
- Business ethics practices in the business or missing (needed in the business)
- Production management skills information. E.g production process, business layout, how production decisions are made, production processes, production machinery, equipment and facilities (how they are selected, maintained and disposed off) quality control practices, (measures), packaging and product branding etc.
- Small and medium enterprises related information or experiences. E.g the role played by the firm in economic development, advantages and of small and medium enterprises, factor making the business to succeed or fail, suggested solutions to reduce the rate of failure of small and medium enterprises etc.

- Gender and entrepreneurship related information. E.g how the business ensures gender equality or why there is no gender equality.
- Managing personnel information. E.g organizational structure of the business routine responsibilities, how the business motivates the workers, disciplinary measures for workers etc.
- Financial management related information. E.g source documents used by the business, measures put in place to manage the flow of funds, books of accounts used by the firms and others.
- Challenges experienced by the candidate during field attachment and field trips, when operating business clubs' projects and how they were over- come.

Recommendations

The school administration or head of department should write a letter introducing a candidate to the business of attachment. A candidate will be advised to get field attachment in a near home.

Briefing of students

Before the field attachment, students should be briefed a week before they do end of term examination, so that can appreciate field attachment as an integral part of their education. In such briefing, the following areas shall be addressed;

- The purpose of the field attachment programme
- Basic requirements in terms of equipment and materials
- Code of conduct expected of the students during the field attachment
- Grading / evaluation of the field attachment programme
- Various channels of communication for students during the field attachment e.g where and how to report when they have problems
- When and how to handover materials / equipment lent to them by the host organisation during the field attachment
- Other matters concerning their welfare during the field attachment
- Health and safety issues

Challenges / encountered as an individual during the field attachment

- ✓ Challenge of coping with love related advances from employees and management
- ✓ Challenge of learning how to use the machinery tools and equipment
- ✓ Challenge of learning how to work with older and well experienced workers
- ✓ Challenge of moving to the work place and back to the place of residence
- ✓ The challenge of following work rules and regulations
- ✓ Challenge of language differences with some workers
- ✓ The challenge of meeting work targets/ deadlines
- ✓ Challenge of dealing with difficult customers

- ✓ Challenge of dealing with unfavourable weather conditions like extreme coldness and extreme hotness
- ✓ Challenges of maintaining personal hygiene at the business of attachment
- ✓ Challenge of looking for customers
- ✓ Challenge of translating academic knowledge to practical work
- ✓ Challenge of working with few and old machines and equipment
- ✓ Challenge of coping with change in the work place
- ✓ Challenge of obtaining food and drinks at the work place
- ✓ Challenge of giving performance reports

Challenges were overcome in the following ways

- ✓ Reading instruction manuals regarding how to use machines, tools and equipment
- ✓ Being co-operative with senior and experienced workers to work with them
- ✓ Informing the people bargaining for love to give me some time to complete my studies and therefore handle them
- ✓ Obtaining a room to rent near the business premises to reduce on movements
- ✓ Being complaint to work rules and regulations
- ✓ Doing everything in time in order to meet the set deadlines
- ✓ Using English with workers who understand it as well as learning other languages slowly to minimize language differences
- ✓ Handling difficult customers with patience by listening carefully to their words
- ✓ Having good customer care so as to obtain customers
- ✓ Improving personal hygiene while at the work place and home
- ✓ Learning how to relate the work studies in class to the practical work in the field
- ✓ Going with packed food from home to eat in case food is not available at the work place
- ✓ Producing the performance reports daily before the daily events and records are forgotten

General description

The business is called NTAKE BAKERY COMPANY LIMITED, PO BOX 15207 Kampala, Tel: 0414-274005

Business is located in at plot 26/28 Ring road Nalukolongo

Purpose of the business

Vision statement of the business

To be leading bakers / millers in Uganda.

Mission statement

To produce high quality products.

Goals: to be the leading millers / bakers producing quality products as well as ensuring customer satisfaction

Goods offered;

Millers of Horse brand superior bakers flour and Kaswa home baking flour, high quality bread and confectioneries, mineral water

Customers of the business are schools, hospital, super markets and retail shops

Source of funds

The business funds are mainly got from financial institutions like Bank (Barclays), customers' advances, retained earnings, own source etc

Description of the premises and Assets.

The business has a big room which is used as a work place, where all the production activities takes place like processing, mixing, packaging, storing and marketing.

Assets owned include. Land, machinery and equipments ie standby generator, Buildings, motor vehicles etc

Uniqueness of the business, the company has unique features like unique packaging materials, brand name, raw materials and product features

Ownership. The company is privately owned company by Mr. and Mrs. Gasta Lule

The business SWOT analysis,

Strength

- ✓ Strong and wide market base
- ✓ Assured raw materials
- ✓ Trained management staff
- ✓ Provision of high quality products
- ✓ The business location is strategic which ensures visibility and accessibility
- ✓ Strong financial base like banks, retained earnings, own saving
- ✓ Strong brand name of the business

Weaknesses

These are constraints that the business facing

- ✓ Weak distribution image
- ✓ High advertising costs
- ✓ Limited market research
- ✓ Few products
- ✓ Inability to finance needed market changes
- ✓ Low capital inputs

Opportunities

- ✓ Changing demands in the current market from just consumption but consumption of quality products
- ✓ Ability to get government funding
- ✓ Diversification of production
- ✓ Expansion by opening up new branches around the country

Threats

- ✓ Competition from the upcoming businesses from the same line in the same locality e.g M. product Bakery Uganda Limited.
- ✓ High technological advancement in the industry

- ✓ High cost of raw materials and other inputs
- ✓ Increased cases of bad debtors

Type and nature of the business. It is a manufacturing business.

THE STAKEHOLDERS OF THE BUSINESS

- ✓ The owners of the business enterprise Mr. and Mrs. Gasta Lule who started the enterprise and who expect profits from it.
- ✓ The families of Mr. and Mrs. Gasta Lule who expect financial benefits.
- ✓ Employees of the business who expect better salaries and good working conditions.
- ✓ Residents of Natete village where the business is established they need a safe environment, expect employment opportunities.
- ✓ Suppliers of raw materials who expect payments after delivery.
- ✓ Banks that offered loans expect fast repayment of the principal amount and interest.
- ✓ Consumers/customers who need value for their money
- ✓ Middlemen who need a steady supply of quality products.
- ✓ Transporters of the products to different markets.
- ✓ Elected representatives at local, regional and central government who oversee operations of business enterprises in their locality.
- ✓ Environment bodies e.g. NEMA ensure a safe environment.
- ✓ Regulatory bodies like UNBS to ascertain the quality of the products

Financial statements used by organisations to present their financial information.

- ✓ Income statements that shows revenue and expenses of a business enterprise over a period of time. It calculates the profit earned by a business over the last year and the losses within the same period of time.
- ✓ Statement of the financial position whereby the assets liabilities and owners' equity are shown. Such is presented on a balance sheet.
- ✓ Statement of the cash flow that shows all the money that has flowed into and out of the business over the course of the year. It shows how much cash has been generated or used in operating activities, investment activities and how cash changed over time

PERSONNEL MANAGEMENT IN THE BUSINESS ATTACHED.

TYPES OF PERSONNEL EMPLOYED IN THE BUSINESS attached.

The following are the types of personnel employed in the business visited

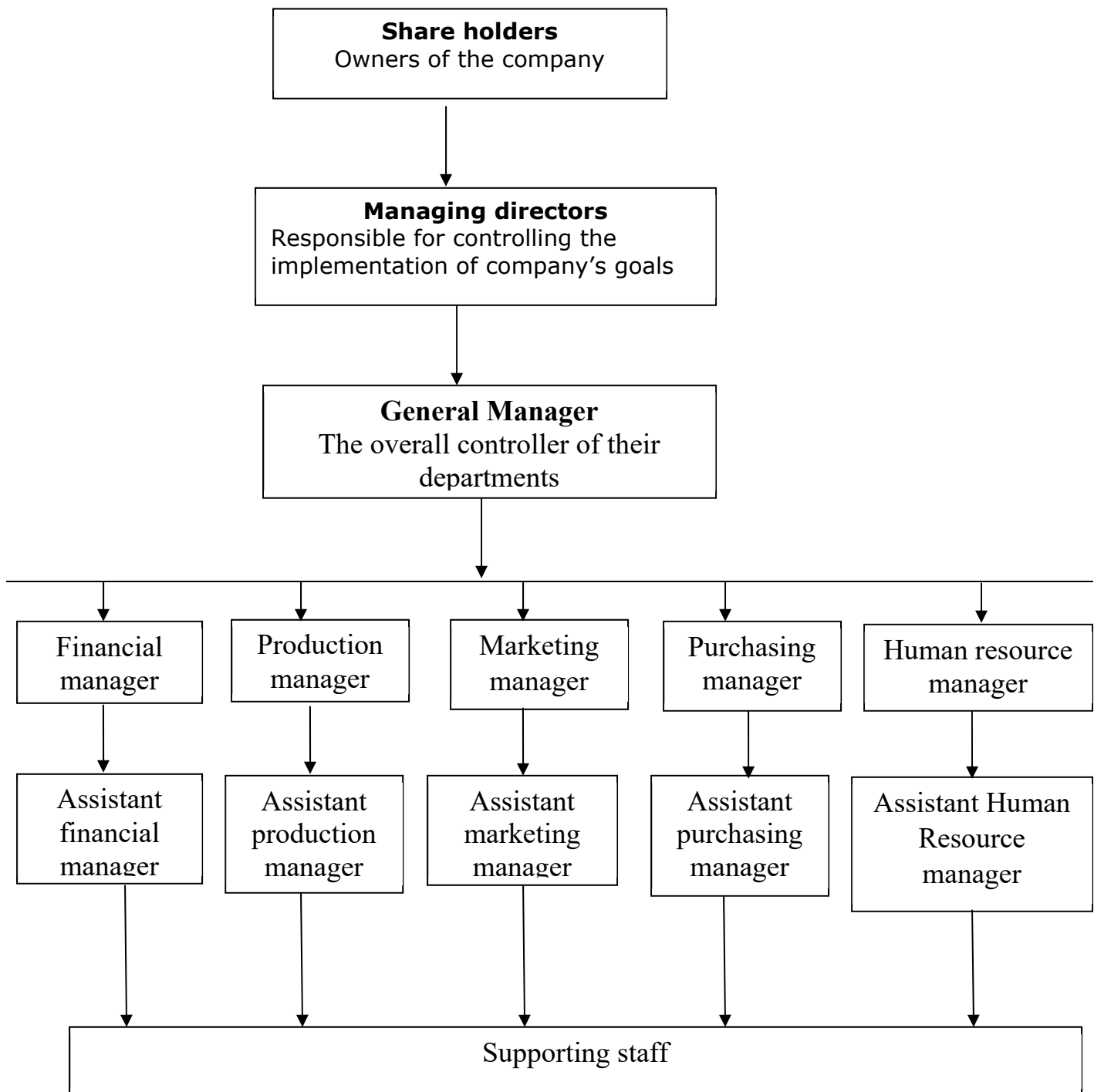
- Marketing and sales manager. These include salesmen and distributors who distribute and sell bakery products.
- Financial personnel. These include bakery cashiers who receive and handle cash
- Security personnel. These include askaris and gate keepers who protect bakery premises against theft cases.

- iv. Transport management personnel. These include drivers who transport bakery products to market centers.
- v. Production manager. For example the business employee two production managers.

ROLES OF THE OWNER OF THE BUSINESS AS A PERSONNEL MANAGER

- ✓ **Recruitment of workers.** He recruits an average of 10 employees every year, like cleaners, security guards etc
- ✓ Carrying out induction training. A one week induction training is always conducted whenever a new member is recruited.
- ✓ Communicating with employees. He send to them notices and memo's for meetings, and allows them to give their feedback with in the meetings.
- ✓ Conducting employee training. Every month training workshop is conducted to polish on employee skills
- ✓ Determining employee remuneration. For example setting salary amount for workers, allowances to be paid such accommodation, medical among others.
- ✓ Managing employee discipline. For example he issues warning letters to employees and punishing those who may be victims of indiscipline.
- ✓ Conducting employee performance appraisal every week, workers performance is evaluated and assessed.
- ✓ Managing employee benefit programmes. E.g each employee is offered with transport and medical allowance monthly of shs 40,000 and shs 50,000 respectively.

ORGANISATIONAL CHART



USES OF AN ORGANISATIONAL CHART

- ✓ It acts as a visual aid for staff training during induction session
- ✓ It specifies duties and responsibilities of different personnel in an organisation
- ✓ It shows the hierarchy of authority within the organization

- ✓ It is used as a reference whenever transfers and promotions are to be done in an enterprise
- ✓ It facilitates smooth flow of information communication in an enterprise
- ✓ It helps the business owners to identify vacant posts in an enterprise
- ✓ It helps the business owners to coordinate with different department
- ✓ It ensures the business owners to determine the man power requirements of the business
- ✓ It gives the organizational structure of the enterprise
- ✓ It shows the reporting relations in an enterprise
- ✓ It is used as a reference point whenever transfers and promotions are to be done in an organization
- ✓ It creates a platform for delegation of authority between superiors and subordinates
- ✓ It enables the successfulness of performance appraisal basing on employees duties and responsibilities
- ✓ It instills discipline among employees and manager as it specifies the level of administration and subordination

FORMS OF MOTIVATING WORKERS / employees retention

- ✓ Organizing end of year parties for workers e.g every end of the year staff party is organized where workers socialize and share ideas about the company
- ✓ Ensuring timely payment. Every 28th of the month workers' salaries are cleared
- ✓ Attending to worker's needs. E.g whoever fall sick, a medical allowance of shs 100,000 is issued to him.
- ✓ Evaluating worker's performance. Every end of the month performance appraisal is conducted.
- ✓ Offering labour training. Monthly training workshops are conducted every end of the month to acquire more knowledge used to improve performance of the business e.g use of computers, and new machinery, car vehicles among others.
- ✓ Offering better meals. E.g Matooke and meat is offered four times a week.
- ✓ Offering workers with uniforms. Every employee is offered with two pairs of uniforms and a company T-shirt.
- ✓ By involving employees in profit sharing schemes since they are one of the people who contribute towards profits this is always done when the business achieve maximum target profits
- ✓ Through participating in decision making. Allowing employees to participate in decision making promotes motivation among the employees since they develop sense of belonging
- ✓ Through promotion aspects. This encouraged most of them to perform to their best hoping for more promotions for example Kato a cleaner was promoted to a senior supervisor of all cleaners of the company.
- ✓ By providing fringe benefits to workers like housing allowance, maternity leave, sick leave where applicable to workers so that to encourage them perform better in the organisation

- ✓ Rewarding good results. Best performing workers are recognized and rewarded e.g best employee for the month, year, smartest employee etc.
- ✓ Workers are assured/offered job security by the management through giving of long term contracts and issuing of job appointment letters to all bakery employees.
- ✓ Sharing and showing concern of workers problems. Management show empathy to the workers problems and appropriately attend to workers problems, challenges e.g sickness, death of a relative / loved one etc
- ✓ Products sold by the business are offered to the workers at reduced prices like bread of 400g is sold to workers at shs 2,000 which is the factory price instead of 4,000 market price.
- ✓ Workers are allowed to become co-owners of the organization by buying shares in the business become partners in the organization.

Reasons for motivation of workers

- ✓ To stimulate workers to perform their duties positively so as to contribute towards the achievement of desired objectives and goals of the organization
- ✓ To promote good human relations through job satisfaction
- ✓ To improve the productivity of workers through inducing them to work hard which increase outputs
- ✓ To create a better image of the firm or business since employees will be given financial and non-financial rewards
- ✓ To improve skills of workers through provision of training programmes like on the job training
- ✓ To minimize labour strikes and other forms of labour unrests through regular and appropriate communication with workers
- ✓ To retain workers in the business through making them contented by promising them promotional prospects
- ✓ To reduce supervision costs
- ✓ To improve the quality of products
- ✓ To improve self-esteem of employees
- ✓ To encourage employees to be open
- ✓ To attract a competent employee
- ✓ To ensure timely completion of work and beating deadlines
- ✓ To encourage the spirit of hard work
- ✓ To ensure team and spirit of togetherness

FACTORS CONSIDERED WHEN RECRUITING EMPLOYEES IN AN ORGANISATION / ENTERPRISE

- ✓ Age of the employee. The business employs people above 18 years more than those below the age of 18 years to avoid child labour according to the law
- ✓ Level of skills required. Employees who possess the skills required in production are recruited more than the semi-skilled and the unskilled
- ✓ Health conditions of the employee. Normally employs workers with good health status as they are in position to be at work almost all the time compared to workers with poor health associated with high levels of absenteeism from work.

- ✓ The working experience. Most of the employees who are recruited, they are supposed to have worked for a minimum of 2 years.
- ✓ Cost of the employees. Relative cheap employees in terms of salaries are recruited at Ntake bakery.
- ✓ Marital status of the employee. They always prefer recruiting single ones due to extra commitments at the workplace such as working at night.
- ✓ Sex of the employee. They mostly recruit male employees in most of the departments like production due to extra energy needed.
- ✓ Level of qualification. The minimum level of qualification is S.4 certificate for casual workers and Diploma for professional workers like supervisors.
- ✓ Language spoken. They mostly employ workers who are fluent in English in order to ease and support communication with customers

Sources of employees' recruitment in the business visited

- ✓ Using present employees. Sometimes employees are promoted to senior levels
- ✓ Community. 20% of employees at Ntake Bakery are members of the community
- ✓ Using institutions of higher learning. 50% of employees at Ntake Bakery are sourced from Makerere University, Kyambogo University and Makerere University Business School Nakawa.
- ✓ Employees' referrals. Sometimes fellow employees refer and recommend their friends and family members to work in the Bakery when need arise.
- ✓ Using previous applications. Applicants who might have earlier applied and not considered are always given a priority by the business and they are later invited.
- ✓ Visiting websites and internets for example 2 cleaners out of the 10 employed were got on the social media.
- ✓ Using labour agencies e.g 30% of employees at Ntake Bakery are supplied by Security Link limited, Ham property services and management limited among others.

FACTORS THAT MAY LEAD TO EMPLOYEE TERMINATION AT THE BUSINESS attached to;

The following are the factors that may lead to employ termination at Ntake bakery.

- ✓ **Continued absenteeism.** Workers who always absent themselves without genuine reasons are always terminated.
- ✓ **Continued illness/poor health.** Workers who frequently fall sick are always terminated.
- ✓ **Production of poor quality products,** e.g production of burnt bread, dusty ones makes a worker to be terminated at Ntake bakery.
- ✓ **Lack of respect to customers.** Employees who may be found barking at customers, being rude to them are always terminated.
- ✓ **Failure to follow work ethics,** for example those who may be found with mobile phones are always terminated.

- ✓ **Practicing indiscipline like theft.** E.g workers who may be got stealing and picking company items are always terminated.
- ✓ **Lack of required qualifications,** for example workers who may be got with forged academic documents are always terminated.
- ✓ Violence, employees fighting or verbally abusing each other which affects teamwork and productivity

Most prevalent disciplinary problems within a workplace visited or attached

- ✓ Poor time keeping that is workers' unreliability in being in the right place at the right time. Most of workers come past 20 minutes of normal working hours.
- ✓ Unauthorized absence, employees taking leave without permission or 'time off' which affects the management attitude for all employees.
- ✓ Misuse of e-mail, internet or social media which wastes time that would be used to do organisational work or posting irrelevant material on these pages.
- ✓ Bullying and harassment at the place of work amongst members of staff.
- ✓ Theft and fraud, employees stealing from the organisation or involving themselves in fraudulent acts.
- ✓ Violence, employees fighting or verbally abusing each other which affects teamwork and productivity.
- ✓ Substance misuse, abuse of alcohol which adversely affects performance at workplace and brings disorganization at work place.
- ✓ Poor work performance due to lack of care, with shoddy work or a large number of rejects.
- ✓ Violation of safety rules with potential danger either to the employee or to the employee's colleagues like not wearing face masks during work.
- ✓ Insubordinate attitude, which may affect the motivation of a group and create unnecessary stress or tension in the workplace.
- ✓ Failure to wear correct clothing for reasons of hygiene, or decency which affects the public image of the business.

Disciplinary mechanisms that can be used to solve disciplinary problems in a workplace:

- ✓ An informal chat with employees to clear up a relatively minor breach of discipline for example when handling cases of dress code, drug abuse and alcoholism.
- ✓ A formal oral warning with the supervisor, stressing the possibility of more serious action if the misconduct is continued.
- ✓ A formal written warning which becomes part of the employee's record.
- ✓ Disciplinary actions, such as suspension, demotion or lay off, to reinforce the formal written warning.

- ✓ Dismissal, the final drastic action which should only be applied if all other previous actions fail.

Guiding questions.

In reference to the business attached to

- Explain the sources where employees are recruited from.*
- Explain the factors that may lead to employee's termination.*
- What are the factors considered before recruiting business employees?*

Assignment.

In reference to any business attached to

- What are the steps followed before employees are recruited.*
- Under what circumstances employees may be terminated.*
- What are the factors considered before paying wages to business employees*

REASONS WHY ORGANISATION MAY RECRUIT WORKERS

- ✓ To recruit the right people with the required skills and abilities.
- ✓ To minimize damages to machines and equipment by using technical competent persons.
- ✓ Recruitment of workers helps to avoid wastage of resources and time thus increase in efficiency and effectiveness.
- ✓ To replace workers who are retiring, dismissed and die.
- ✓ To get workers for future use in case an enterprise expands.
- ✓ To increase productivity and output in an enterprise.
- ✓ To cater for advancement in skills required to perform certain tasks.
- ✓ To be groomed by the business.
- ✓ To fill the gaps created as a result restructuring within the enterprise.
- ✓ To increase man power required for efficient and effective in achieving the set target of the business.

METHODS OF PAYING WORKERS AT THE BUSINESS VISITED.

- ✓ **Salary.** Workers earn an average of 400,000 shillings at the end of the month such as managers, supervisors, etc.
- ✓ **Wages.** These are paid to casual workers like cleaners and it ranges between 5000—6000 every-day.
- ✓ **Overtime pay.** Workers who extend beyond 7:00pm up to midnight when still at work always earn an average of shs 10,000 as overtime pay.
- ✓ **Bonus pay.** Workers who exhibit better performance earn extra payments of shs 100,000 as bonus payment.
- ✓ **Commission.** This is paid to the company agents who sell bread on behalf of the Ntake bakery, and they are paid an average of shs 300 on every bread sold.

- ✓ **Shift pay.** This refers to an allowance or payment given to workers who alternate as they perform their duties. Ie workers who usually work at night
- ✓ **Cost of living allowance.** It is a payment given to employees who work in places where there are high costs of living e.g in urban areas like Kampala.
- ✓ **Piece rate payment.** This is applicable where work to be done is measurable and payment rates are usually agreed upon before work is done like 5,000 for every 100 loaves of bread produced
- ✓ **Time rate.** It is a type of payment arrangement where remuneration is given according to the time one take doing the job ie 5,000 per hour worked by the casual workers.
- ✓ **Standard pay.** This refers to the payment given to workers as a fixed pay in a given period, this may be monthly, weekly, and this is irrespective of the amount of work done.
- ✓ **Policy allowance.** This is usually paid to workers whose services are very scarce ie services of engineers

FACTORS CONSIDERED BEFORE PAYING WAGES TO BUSINESS EMPLOYEES.

- ✓ **Level of qualification.** Highly qualified workers like supervisors, managers are paid between 800,000—1,000,000 shillings which is very high and cleaners who are just s.4 leavers are paid between 200,000 and 300,000 monthly.
- ✓ **Level of experience.** Highly experienced employees like the general manager earns highly, i.e 1,000,000 shillings and above compared to less experienced ones.
- ✓ **Number of risks associated with the job.** Employees who work in highly risky departments like production are highly paid.
- ✓ **The profitability of the business.** Workers at Ntake bakery are highly paid due to much profits made by the business. It ranges between 100 million shillings as profit margin every month.
- ✓ **Work schedule.** Employees that work during night nights are paid higher wages compared to those that work during the day.
- ✓ **Bargaining power.** Employees with high bargaining power such as managers are paid high salaries compared to those with low bargaining power.
- ✓ **Terms and conditions of workers.** Full time employees are paid with high salaries that ranges between 500,000 – 1,000,000 shillings compared to part time workers
- ✓ **productivity of labour:** more productive employees in terms of output (production workers) are paid higher wages than those whose productivities are low
- ✓ **Cost of living:** some entrepreneurs fix wage rate depending on cost of living of workers, in places with high cost of living workers earn higher wages than those working in places with low costs of living.

- ✓ Demand and supply for labour: where the demand for labour in relation to supply is higher, the wage rate tends to be high and where the supply is higher than their demand, the wage rate tends to be low.
- ✓ Working conditions: jobs with poor working conditions such as high levels of risks should be paid highly compared to less risky jobs.
- ✓ Difference in the nature of employment: workers on contract receive high payment compared to those on temporary or permanent basis.

Factors to consider when determining the number and type of employees to work in an enterprise

Number of jobs available. More the jobs that are available in the bakery, therefore higher the number of employees that are needed. Ie more cleaners

Family member supporting the business. Presence of family members supporting the business necessitates recruitment of few workers and vice versa.

Cost of hiring labour in relation to business output and profits. High costs involved in hiring labour reduce business profits and consequently few people are employed in business. Ie they have few engineers

The level of demand for products. High demand for products leads to massive recruitment of workers to increase output in the bakery

The level of technology used in business. High technology leads to employment of fewer workers since most of the works done by machines

Ways in which good human resource management can be used as a tool to promote the quality of products in an enterprise

- ✓ Training of workers to equip them with the necessary skills
- ✓ Motivating workers to encourage them work hard
- ✓ Giving workers detailed instructions
- ✓ Providing a favorable working environment and working conditions
- ✓ Carrying out performance appraisal to enable judgment of performing in respect to quality
- ✓ Ensuring discipline among workers to help promote unity and peace at work to enable production of qualitative products
- ✓ Giving timely and adequate remuneration which make employees satisfied at work
- ✓ Giving workers appointment letters to work with job security
- ✓ Involving workers in the decision making process

Labour turn over

Refers to the number of employees moving in and out of the business

Causes of the high labour turnover in Uganda

- ✓ Inadequate wages leading to workers moving to competitors. Workers who earn below 100,000 are always forced to leave the business to other opportunities where they can be paid better salaries.
- ✓ Low levels of motivation/poor morale at the work place.
- ✓ Expiring contracts. Employees are always offered contracts with a maximum of 5 years and thereafter they can be renewed or not.
- ✓ Dissatisfaction with working environment. E.g some employees sleep in houses which are in poor conditions and this has made them to leave.
- ✓ Poor health. Some employees quit their jobs at Ntake bakery after falling sick.
- ✓ Excessive work load. Sometimes employees work for long hours like from 8:00am—5:00pm and this has made some employees uncomfortable and they quit.
- ✓ Transfers caused by marriage. Some employees are quitting their jobs at Ntake bakery after their spouses have got distant transfers.
- ✓ Delayed payments. Sometimes salaries delay at Ntake bakery and this forces some employees to quit.
- ✓ Misconduct of employees, such as excessive absenteeism, late coming, etc make some employees to be forced to quit.

Costs of labour turn over

- ✓ It leads to additional recruitment costs ie advertising expenses.
- ✓ Low productivity due to recruitment of un skilled workers.
- ✓ Increased costs of training and replacement of workers
- ✓ It lowers business's performance
- ✓ Loss of know-how and customer good will
- ✓ Potential loss of sales due to high turnover in the scale force
- ✓ Damage the morale and productivity to those workers remain in the enterprise
- ✓ Hiring costs
- ✓ Higher accident rates
- ✓ Underutilization of production facilities
- ✓ High rate of scrap and waste
- ✓ Over time pay is increased
- ✓ It lowers reputation of the enterprise which may make the business to lose its potential customers

Benefits of labour turn over

- ✓ New employees bring new skills, ideas, enthusiasm and contacts with them
- ✓ New employees are resistant to changes in most cases
- ✓ New employees are willing to accept lower pay rates
- ✓ New employees are excited about their new jobs and work harder to please management and clients
- ✓ Employee turnover allows for flexibility in the way the organisation is to run
- ✓ It allows management the opportunity to restructure departments and functions

POLICY FOR REMUNERATION STRUCTURE OF EMPLOYEES

- ✓ Highly educated workers are paid highly compared to less educated employees' i.e graduates are paid a higher salary compared to diploma and certificate holder.
- ✓ Salary payment is made according to number of hours /days worked. The payment per hour /day shall be (shs) 20,000 and shall be adjusted according to the prevailing economic conditions.
- ✓ The salaries are slightly higher (e.g 5% higher than those paid by rival firms/competitors).
- ✓ Salaries are paid according to the amount of work done
- ✓ Workers' salaries are increased whenever the demand and prices for business products increase.
- ✓ More experienced workers are paid highly compared to less experienced workers.
- ✓ Workers' salaries are increased 5 % every year.
- ✓ All workers are entitled to fringe benefits such as accommodation, medical allowance and lunch.
- ✓ The salary paid are in line with government wage/salary structure.
- ✓ Risky/more complex tasks attract higher pay compared to tasks that are not more complex ie technicians
- ✓ Workers employed on contract basis earn a higher pay compared to those on permanent basis.
- ✓ All work that is contracted for two years is only renewable upon satisfactory performance.

SAFETY AND SECURITY OF EMPLOYEES

- ✓ All workers wear, project/ business uniforms at all times while at the work place.
- ✓ All visitors and staff register at the gate and all people / both visitors and employees are searched while entering and leaving the premises.
- ✓ First aid kits and trained staff are provided to cater for workers in case of accidents.
- ✓ All workers are entitled to medical services/care in case of any sickness free of charge.
- ✓ All workers use protective gear such as gloves, helmets, masks among others while at the workplace.
- ✓ Armed well trained security guards are employed from Securiko Company Limited.
- ✓ Fire extinguishers are installed to help in cases of emergency.
- ✓ Smoking, drug abuse and taking alcohol are prohibited.
- ✓ Unauthorized persons shall not be allowed in the project premises.
- ✓ Safety instructions /labels are installed in strategic places (where all people can be able to access).
- ✓ Unauthorized persons are not be allowed in the business premises.
- ✓ All workers are trained on how to handle/operate fire extinguishers.

- ✓ No visitors or staff are allowed in the premises before 7:00am and beyond 6:00 pm.
- ✓ CTV cameras are installed in strategic places ie in the corners of the business premises
- ✓ Security lights are installed in all corners / strategic places ie all dark corners of the business premises.
- ✓ All visitors are given identification tags.
- ✓ All workers are insured ie the work man's compensation policy to cater for all workers in case of accidents
- ✓ All workers are sensitized to be security conscious.
- ✓ Proper disposal units/grounds for waste products are put in place.
- ✓ Construction of a wall fence / perimeter fence.

VISTORS' BOOK
NTAKE BAKERY COMPANY.
P.O. BOX 15207 KAMPALA.
Tel: +256414270605

AT THE ENTRANCE

VISITORS' BOOK								
Date	Visitor's name	Address	Occupation	reason	Vehicle no	Time in	Time out	sign

Assignment.

In reference to any business visited;

- a) *Explain the ways through which labour turnover is managed.*
- b) *Inform the owner of the business visited on the effects of labour turnover.*

Training of employees

Refers to the process of identifying and developing the necessary knowledge for doing administratively and meeting complaint conditions.

Type/forms of employee training

The following are the methods of labour training used at Ntake bakery.

- ✓ **Hands on training/training on job.** 20% of employees at Ntake bakery just acquired production skills while they are at work.
- ✓ **Coaching/mentoring.** Here some seniors and well skilled employees work with less experienced ones and guide them on what to do and how to do it.

- ✓ **Lecture method.** Here some tutors are always invited on the weekly basis and train business employees through workshops.
- ✓ **E-learning method.** Some employees are trained online. 2% of employees at Ntake bakery are trained through that method.
- ✓ Induction / orientation training. This is one time event formally welcoming and introducing workers within their first weeks on job.

REASONS FOR TRAINING BUSINESS EMPLOYEES AT THE BUSINESS ATTACHED

- ✓ **To ensure quality production.** E.g production of dust free bread.
- ✓ **To improve on the employee skills.** E.g customer care skills have been acquired by the business employees.
- ✓ **To reduce supervision costs.** Trained employees at Ntake bakery are self-driven.
- ✓ **To improve on the employees' productivity.** E.g 500 loaves are produced per day by the trained business employees.
- ✓ **To reduce labour turn over.** Employees turn over at Ntake bakery is just 0.5% and it is very low.
- ✓ **To improve on employer—employee relations.** Supervisors and employees at Ntake bakery are friendly to each other.
- ✓ To improve on the employee motivation.
- ✓ **To improve on the capacity to adopt new technologies.** For example use of electronic ovens because of sufficiently knowledgeable staff
- ✓ To build the positive perception and feeling about the organisation. The employees get these things from leaders, subordinate and the peers
- ✓ To increase productivity of workers morale. Training improves needed skills which build up confidence and satisfaction of the employees
- ✓ To improve on the relationship between the business and its employees

Factors that limit employees training / challenges of training employees

- Limited time. Training needs time which most enterprises do not have
- Limited trust of employees
- Broad expertise of managers
- Limited trust of openness to employees
- Unpredictable future business needs
- Desire for high profits by business owners
- Limited commitment on the side of trainers
- Doubt about the value of training
- Fear of losing workers
- Difficulty in identifying training needs
- Limited skilled personnel

DISCIPLINE AND CODE OF CONDUCT AT THE BUSINESS VISITED.

INDICATORS OF INDISCIPLINE AT THE BUSINESS VISITED.

- ✓ Defective work habits like late coming among employees. 2% of business employees at Ntake report late.
- ✓ Delays in paying workers. Sometimes employees receive their salaries 10 days past the end of the month.
- ✓ Gossiping at place of work. Some employees at Ntake bakery engage themselves in gossiping.
- ✓ Poor handling of business customers. E.g some employees bark at customers like the security guards.
- ✓ Excessive work load given to the workers. E.g employees carry heavy loads.
- ✓ Lack of job security. E.g some employees lack working contracts at Ntake bakery.
- ✓ Failure to engage employees in company meetings and decision making. E.g only 70% of the employees are engaged in the company's meetings and the rest are ignored.
- ✓ Lack of fairness at the place of work. E.g there is much favouritism caused by superiors at Ntake bakery.
- ✓ Indecent dressing among business employees. E.g some female ladies put on miniskirts and short dresses.
- ✓ Sexual harassment among business employees.
- ✓ Strikes and demonstrations among employees. These happen almost every month at Ntake bakery.

Assignment.

In reference to any field trip conducted;

b) Explain the indicators of discipline observed at the business visited.

c) How does the business visited maintain discipline at the place visited?

METHODS/WAYS OF HANDLING AND MANAGING INDISCIPLINE BUSINESS EMPLOYEES AT NTAKE BAKERY (BUSINESS ATTACHED)

- ✓ **Offering guidance and counseling to indisciplined employees.** Guidance and counseling sessions are conducted on the weekly basis.
- ✓ **Giving written warning letters to indisciplined employees.** These are issued by the company immediate supervisors.
- ✓ **Giving suspensions to indisciplined employees.** One week suspension is always given.
- ✓ **Issuing out terminations.** Indisciplined employees sometimes are completely terminated.
- ✓ **Summoning of indisciplined employees in disciplinary committee.** This committee sits every Friday to handle indisciplined cases.
- ✓ **Ensuring proper effective communication.** This is done through regular meetings conducted every Monday and Friday.

- ✓ **Designing rules and regulations governing discipline.** Each employee is issued with a copy.
- ✓ Encouraging indisciplined employees to write apology letter to their immediate supervisors.
- ✓ Demoting indisciplined employees from high ranks to lower ranks.

CAUSES OF INDISCIPLINE AT THE PLACE WHICH attached to;

- ✓ **Wrong selection of business employees.** E.g some employees like security guards are less qualified and incompetent.
- ✓ **Inadequate and delayed payments.** This forces employees at Ntake bakery to have frequent strikes and demonstrations.
- ✓ Undesirable behavior of senior supervisors, like barking at fellow employees.
- ✓ **Communication gaps.** Some supervisors poorly communicate to the subordinates at Ntake bakery and this may lead to aggressive or rebellious behaviour.
- ✓ **Defective supervision.** E.g most of the cameras at the company premises are defective and cannot effectively monitor the occurrences.
- ✓ Discrimination and favouritism among the employees based on sex, tribes, religion, etc. For example Baganda discriminate Basoga.
- ✓ **Inconsistence working rules and regulations.** E.g every after a month some rules are changed.
- ✓ Using drugs and other alcoholic drinks. Most of the security guards are addicted to drugs and most of them work at night under the influence of alcohol.

Assignment.

In reference to the business attached

- Explain the methods used to appraise employee performance.*
- What are the benefits of performance appraisal to the business attached?*

Procedures for handling indisciplined staff.

- ✓ Documenting/documentation of the indisciplined /offense
- ✓ Undertaking preliminary action by the immediate supervisor/ talking to the indisciplined employee.
- ✓ Writing/giving /issuing a warning letter to the employee if he/she does not change.
- ✓ Forwarding the indisciplined employee to the disciplinary committee.
- ✓ Meeting the indisciplined worker and giving him/her fair hearing to defend himself/herself.
- ✓ Recommending and taking disciplinary action against the indisciplined worker depending on the seriousness of the offence e.g suspending the worker for a specified period, demotion of the worker, making a pay cut on the worker's payment, terminating/dismissing the worker etc.

STAFF WELFARE OF THE BUSINESS attached

HOW DOES THE BUSINESS attached to MAINTAIN STAFF WELFARE.

- ✓ **Providing business employees with better meals** e.g meat and rice are served five days a week.
- ✓ **Providing uniforms with employees.** Every employee has a company uniform.
- ✓ **Providing accommodation to business employees.** Each employee is offered with a free house near the factory premises.
- ✓ **Providing employees with transport allowance.** Each employee who cannot sleep near the factory is given 10,000 shillings everyday as transport allowance.
- ✓ **Providing employees with medical allowances.** Each employee is given shs. 50,000/= every month as medical allowance.
- ✓ **Providing employees with drinking water.** It is cold and purified.
- ✓ **Organizing end of year staff parties.** This one is organized on every 31st December every year.
- ✓ **Supporting staff development programmes.** E.g saving schemes where employees save part of their hardly earned incomes.
- ✓ **Providing business employees with retirement benefits.** Each employee earns 3million shillings as retirement benefit when is retiring out.
- ✓ **Providing food basket to business employees.** Free food is offered to employees during festival seasons like Christmas.
- ✓ **Providing employees with changing dress rooms.** They are two rooms for men and one for ladies.
- ✓ Providing employees with toilets and bathrooms.
- ✓ **Providing employees with sick leaves.** Whoever falls sick is given 2 weeks leave.
- ✓ Workers are provided with first aid in case of injuries and training of first aid providers

Assignment.

In reference to any business visited;

- a) *Discuss the indicators of poor hygiene at the business which is visited.*
- b) *Advice the owner of the business visited on the ways of improving staff welfare.*

MAINTAINING OF HYGIENE AND CLEANLINESS AT THE BUSINESS VISITED.

- ✓ By sweeping. All production points are swept thrice a day.
- ✓ By mopping the business premises all times. This is done by the 10 cleaners employed at Ntake bakery.
- ✓ Providing employees with sanitizers and soap.
- ✓ By fumigating all the production rooms and company offices. This is done twice a week.

- ✓ By slashing all the grass within company premises.
- ✓ By providing masks to employees. This has reduced possibilities of hair contamination in products.
- ✓ Encouraging employees to keep their hair clean and short. E.g each male employee who work in production is required to have one inch hair to avoid contamination.
- ✓ Encouraging employees to bath regularly while at work. E.g each employee showers twice a day using company bathrooms.
- ✓ Providing dust bins. They are 20 dust bins positioned at different points within the company premises.
- ✓ Encouraging employees to use deodorants daily. This takes away bad odour.

FIELD TRIP

Meaning of field trip

Field trip in entrepreneurship education refers to a guide tour or journey by entrepreneurship students or business club members, usually a given school term to selected businesses to learn about the real business operations and environment so as to supplement classroom knowledge. They are accompanied by teachers throughout the tour. Sometimes, students conduct field trips)

Objectives of the field trip

- ✓ To visualize what takes place in the business enterprises
- ✓ To relate theory to practical work
- ✓ To introduce myself/ ourselves to the field of research
- ✓ To expose myself/ ourselves to the business world
- ✓ individually during holidays

(a) Business general description attached to should include;

- ✓ **Business name.** NTAKE BAKERY COMPANY
- ✓ **Address and contact.** P.O box
- ✓ **Business location.**
- ✓ **Vision ;** To become the leading producers of high quality bakery products
- ✓ **Mission statement.** To improve the diet of our customers by providing them high quality bakery products
- ✓ **Objectives of the business**
 - To expand the market share after 2 months of operation
 - To improve on the distribution channel within one year of operation
- ✓ **Goods offered.** It offers bakery products like breads, bans, cookies, daddies, cakes among others
- ✓ **Source of funds-** Personal saving, donations, retained profits, bank loan from pride Micro finance
- ✓ **Description of premises and assets** The business is having a permanent structure where it is operating from, it is also having different machines like a mixer, generator, packaging machine, etc.

- ✓ **What makes the business unique?** It offers high quality products at a price which is pocket friendly. In addition to that there is good customer care given by workers.

SWOT ANALYSIS

Strength of the business

- ✓ Skilled workers
- ✓ Strong market base
- ✓ Quality, durable and long lasting products
- ✓ Strong financial base
- ✓ Recognition and reliable customers

Weaknesses

- ✓ Limited skilled labour e.g machine operators
- ✓ Limited market research
- ✓ Poor customers services
- ✓ Limited market for certain products

Opportunities

- ✓ Introduction of low cost products
- ✓ Increasing number of population in the area

Threats

- ✓ Stiff competition ie growing number of bakeries like Kiddawalime, M products bakery etc
- ✓ Increasing growing bargaining power of customers

Entry of low cost bakery companies

Benefits of the business to the community

- ✓ Provision of bakery products to the community at a cheaper price
- ✓ Provision of employment opportunities to the community.
- ✓ Provision of market for the products sold by the community e.g wheat flour, packaging materials, fruits and other agricultural products.
- ✓ Provision of training or entrepreneurship education to the community. Ie for example entrepreneurship students always visit it for study purposes.
- ✓ Facilitates development of physical infrastructure like roads power/electricity among others.
- ✓ Provision of security services to the community ie security lights
- ✓ Sponsors community development activities or programmes or projects like sponsoring sports.
- ✓ Ensures consistent/continuous supply of good quality bakery products to the community.
- ✓ Brings the bakery products nearer to the community.
- ✓ Respects uphold the norms and values of the community, hence promoting the cultures of the community.
- ✓ Promotes utilization of would be idle resources ie land, and labour from the community

- ✓ Promotion of corporate social responsibility or gives back to the community e.g planting trees assisting the disadvantaged people in the community.

Challenges faced by the business a candidate visited may include the following.

- ✓ Limited capital for expansion.
- ✓ Limited market due to competition/ low incomes/changes in taste and preference.
- ✓ Insecurity.
- ✓ Natural hazards
- ✓ Un-credit-worthy customers who fail to pay the debts/challenge of bad debts.
- ✓ Under developed infrastructure
- ✓ Limited supply of inputs/raw materials
- ✓ Insufficient /limited skills
- ✓ Inappropriate technology
- ✓ Difficulty in obtaining loans due to limited collateral security, high interest rates, inadequate financial institutions etc
- ✓ High operational costs e.g high taxes, electricity water, rent etc
- ✓ Unfavourable government policies towards business
- ✓ High employee/ labour turnover.

Recommendations to the entrepreneur on the ways of handling the challenges should include;

- ✓ Obtain soft/concessional loans to expand the capital base.
- ✓ Limit/reduce credit facilities.
- ✓ Improve security by hiring security personnel and fixing security facilities.
- ✓ Obtain supplies from nearby/many/cheaper sources.
- ✓ Expand /increase market by providing a variety of products, improving customer care, intensive advertising etc.
- ✓ Diversity production/produce a variety
- ✓ Use alternative power/water sources
- ✓ Train workers'/monitoring workers
- ✓ Negotiate /lobby for investment incentive from government.
- ✓ Improve technology by carrying out research.

SOCIAL RESPONSIBILITY OF A BUSINESS visited or attached

Some of the specific responsibilities of a business towards the society include the following;

Production of goods and services: producing goods (ie cakes, Breads etc) so as to meet the needs of the people.

Assisting in the overall development of the locality: e.g providing employment opportunities to local people such cleaners, managers among others.

Payment of taxes: business pays different types of tax to the central and local government which the government uses to develop and provide society with social services like education, transport, security etc

Providing assistance to public and private education: e.g Ntake built educational centers both primary and secondary

Taking appropriate steps to prevent environmental pollution and preserve ecological balance: the business could provide Disposal bins for collection of polythene bags.

Providing sufficient information to customers about the products offered: including their adverse effects, risks and cares to be taken while using the products.

Compensating people who have been displaced from their respective locations: e.g. land owners

Provision of market for the society's products: e.g information relating to profitability, investment etc which information can be used for study purposes

Utilizing idle resources: businesses help to put to use resources that would otherwise be idle such as land, mineral deposits etc e.g BIDCO Uganda Ltd growing palm oil trees in Sseese Island

Helping in fulfilling objectives of economic policies: e.g. reducing unemployment problems hence increasing standards of living of the community

Provision of good working conditions to employees: this is through paying a fair wage to workers and ensuring favourable terms and conditions of work.

FAMILY AND BUSINESS.

ROLE OF THE FAMILY TO THE BUSINESS VISITED.

- ✓ **Provision of labour.** E.g 20% of the business employees at Ntake bakery are relatives and family members of the proprietor.
- ✓ **Creation of market to the business products.** 5% of potential customers of Ntake bakery are relatives.
- ✓ **Supply raw materials.** Some of the raw materials like wheat flour are supplied by the family members.
- ✓ **Provision of financial support.** Some of the family members have extended financial support to Ntake bakery through loans and debentures.
- ✓ **Provision of land for the business expansion.** e.g 3acres of the land where the business is operating from is family land.
- ✓ **Provision of assets like machines.** E.g one of the ovens owned by Ntake bakery was donated by the family member.
- ✓ **Promoting and advertising business products.** Most of the family members have encouraged their friends to support business products.

- ✓ **Provision of moral support.** Most of the elders in the family are morally supporting the company activities.
- ✓ **Facilitating decision making and technical support.** Most of the major decisions at Ntake bakery are made in consultation with the family elders.

CHALLENGES FACED BY THE BUSINESS VISITED AS A FAMILY BUSINESS.

- ✓ Challenge of decision making. E.g the proprietor of the bakery and his wife sometimes have interests over different decisions and this creates delays in making decisions.
- ✓ Challenge of succession. In case the proprietor of the company dies, there might be difficulties among family members in choosing the competent successor.
- ✓ Limited skills to operate the business. E.g the proprietor's wife lacks leadership skills yet she is a supervisor.
- ✓ Laziness among the family members. E.g the daughter of the proprietor who works in the company canteen is so lazy and slow when attending to business customers.
- ✓ Theft and misuse of business funds. E.g 5% of the business funds have been used by family members for personal use.
- ✓ Role confusion. There is no specified roles for the wife of the proprietor, daughters, etc.
- ✓ Withdrawing of business products for use. E.g bread.
- ✓ Taking the business for granted. E.g most of the employees who are relatives, report late for work because they take the business for granted.
- ✓ Disagreements among family members. E.g family and relatives of the proprietor always disagree over different business matters.

Guiding questions.

In reference to the business visited.

- a) *How does the family support the business visited.*
- b) *What are the challenges facing the business visited as a family business?*
- c) *Advise the proprietor of the business visited on the measures that can be taken to overcome the above challenges.*

Assignment.

In reference to the business visited;

How does the business support the family of the proprietor of the business visited?

To be continued