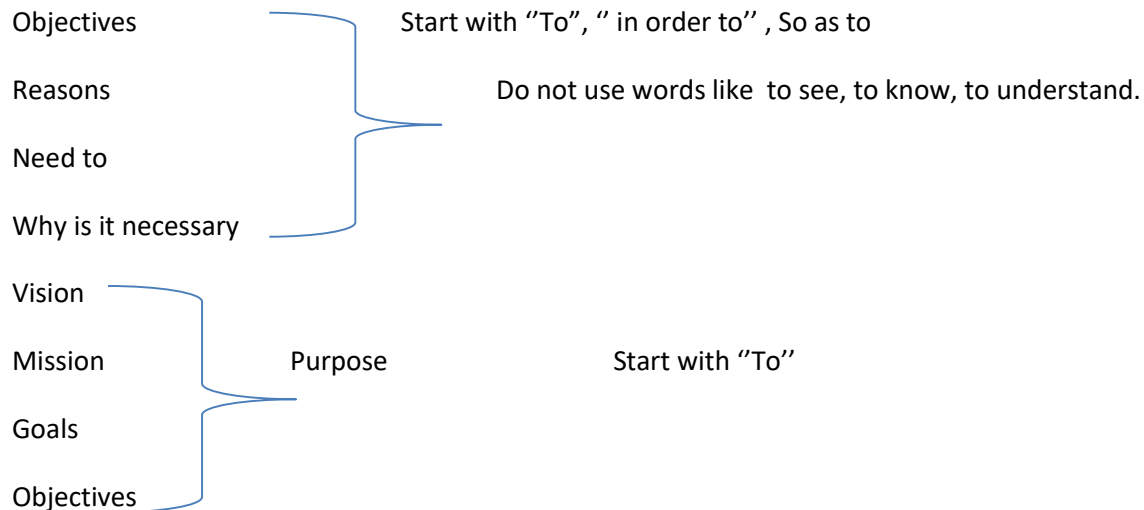


ENTREPRENEURSHIP ANSWERING TECHNIQUES

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KEY AREAS IN ENTREPRENEURSHIP PAPER ONE



1. Justify the need for carrying out market research.

Approach; Use 5Ps i.e

- To identify the nature of products customers are willing to buy.
- To determine the channel of distribution.

2. Explain the rationale for preparing a business plan.

Approach; Use all the components of a business plan for reasons e.g

- To identify the financial requirements of a business
- To identify the vision, mission, goals and objectives of the business.
- To establish the action plan of the business.
- **ETC**

3. Why is it necessary for an entrepreneur to train workers.


Approach; The question requires reasons for training, recruiting, induction of workers e.g

- To reduce supervision costs
- To promote team work
- To reduce labour turnover
- To increase on productivity and efficiency of workers
- To minimize on accidents when using machines
- To improve on the image of the business
- To promote employer-employee relations
- **ETC**

NB; All reasons can be generated from advantages/merits/benefits/importance/relevance/significance/uses/rewards.

4. Advantages and disadvantages/demerits/costs


Approach; Use present simple tense[s] e.g

Advantages		-Use present simple tense[s]
Uses		
Rewards		-Give positive point statement
Relevance		- use words like promotes, encourages, leads, creates, provides, helps...
Significance		-Do not use past tense e.g promoted, encouraged, has led
Benefits		
Merits		

QN; Explain the merits/advantages of creative selling.

- Increases sales
- Promotes a two way communication
- Attracts more customers

-ETC

Disadvantages		-These are similar to costs or adverse effects.
Demerits		-Use present simple tense
Negative effects		

Qn; Explain the adverse effects of competition.

- Reduces market share
- Lowers business profits
- Leads to exhaustion of resources
- Increases labour turnover.
- **ETC**

Qn; Outline the costs of labour turnover in sales staff.

Qn; Outline the costs of poor time management

- Lowers profits

- Puts the business at a competitive disadvantage
- Leads to customer dissatisfaction
- Destroys team work
- Makes decision making difficult
- **ETC**

5. Impacts
Consequences
Implications
Effects
- } - Use present simple tense[s]
- Do not use past tense

NB; Separate positive from negative effects e.g

The following are the positive effects of.....

However, the following are the negative effects of.....

QN; Assess the impact of competition in entrepreneurial activities.

Approach; - Give positive and negative effects

QN; Examine the impact of taxation.

Approach; - Give positive and negative impact

- Avoid speculative words such as will, may, can, would

NB; The question of importances etc depends on the nature of the question e.g

Importance of a social enterprise	Importance of social enterprises
It creates employment	They create employment
It provides market for society products	They provide market for society products
It utilizes the would be idle resources	They utilize would be idle resources
It ensures sustainable impact and development in the community	They ensure sustainable impact and development in community

6. Question of sources

These state them the way they are without any qualifier. Avoid the use of By, Through, From e.g.

QN; Explain the sources of business ideas.

- News papers
- Magazine articles
- Internet surfing
- Successful entrepreneurs
- Creative thinking
- **ETC**

QN; What are the sources of employee recruitment.

- Employee referral
- Advertising
- Employee promotion
- Institutions
- Colleges
- Internet surfing
- Head hunting/ talent spotting
- Transfers
- Friends and relatives
- Private employment agencies e.g. middle east agencies
- **ETC**

Sources of capital for a business

- Personal savings
- Bank loans
- Inheritance
- Sale of personal property
- Subscription fees
- **ETC**

7. Questions of indicators

These must be clear and have a sense of direction **e.g.**

Outline the indicators of customer satisfaction.

- Increase in the number of customers
- Reduced customers complaints
- Increases sales
- Customers referrals
- Customers making prepayments i.e pay in advance
- Willingness of customers to pay higher prices
- Portray good image of the business
- **ETC**

Indicators of customer care E.g.

- Increased after sales services
- Increased number of customers
- **ETC**

Indicators of time wastage in business E.g

- Gossiping
- Absenteeism

- Failure to delegate duties to the workers
- Excessive use of paper work
- Delaying production
- Customer dissatisfaction
- **ETC**

Indicators of low level of competition	Indicators of high level of competition
Increase in the sales	Reduction/ decrease in the sales
Increase in the profits	Decrease in the profits
Reduced costs of production e.g advertising costs	Increased costs of production e.g advertising costs

8. Distinguish/ differentiate/ differences

- Use words like **While, Yet, Whereas.**
- Separate one answer from the other in the conjunction and its advisable to write on another line e.g.

QN; Distinguish between entrepreneurial motivation and achievement motivation.

Entrepreneurial motivation refers to a strong desire, impulse, and dedication to accomplish a specific business goal.

While

Achievement motivation refers to a strong urge to excel and do something unique to attain satisfaction.

QN; Distinguish between entrepreneurial culture and entrepreneurial environment.

Entrepreneurial culture is the one that encourages the whole population to take advantage of abundant opportunities in the environment.

Whereas

Entrepreneurial environment is a combination of external factors and their organic integration that makes up an impact on business startup process by an entrepreneur.

QN; Explain the differences between business enterprises and social enterprises.

Qn; What are the differences between marketing and selling.

9. Definition question/ what is

This must be stated the way it is in the book e.g.

QN; What is meant by business idea in entrepreneurship.

Business idea is a concept that can be used for commercial purposes.

10. Comparison questions

- Use words like compared to, than, unlike in the conjunction e.g.

QN; Why is self-employment preferred to wage employment.

- In self-employment there is limited income in form of profits compared to paid employment where one earns fixed amount of salary/wage monthly/weekly.
- In self-employment there is job security hence there is assurance of the job unlike in wage employment where one can be dismissed anytime hence limited job security.
- In self-employment one is creative and innovative by coming up with new ideas than in paid employment where one follows orders from the boss hence limited creativity.

Formal businesses Vs informal businesses

Direct taxes Vs indirect taxes [These answers can be generated from the principles of taxation e.g they are simple to be understood by tax payers and collectors, they are flexible i.e can be adjusted depending on the economic situation in the country.

11. Principles/canons/essentials/tools/rules

Approach; -These state them the way they are without any qualifier.

- Spelling is key e.g. principles of taxation include; FEC⁴ PENS[The principle states that.....]

Flexibility. The principle states that a good tax should change depending on the economic situation of the country.

Equity. The tax burden should be equally distributed among the tax payers.

Comprehensiveness i.e wide range of taxes where government can collect revenue.

Consistence

Certainty

Convenience i.e. know when to pay and how to pay

Productivity i.e. yield more revenue to the government.

Economy/cheapness. The cost of collection should be lower

Neutrality i.e. avoid discrimination

Simplicity i.e. to be understood by tax payers and tax collectors.

QN; Describe the principles of insurance

ISUPI

Indemnity

Subrogation

Proximate cause

Insurable interest

Utmost good faith

QN; Explain the principles of purchasing

5R's i.e.

- Right price
- Right quality
- Right quantity
- Right time
- Right place

QN; Explain the doctrines/principles/rules to ensure lucrative personal brand development.

- Specialisation
- Distinctiveness
- Visibility
- Unity
- Good will etc

QN; What are the principles of effective communication

Use abbreviation; 7C's TEAM

- Clarity
- Completeness
- Correctness
- Conciseness
- Considerate
- Consciousness
- Timely
- Environment
- Accuracy
- Media

The principles can also be used as barriers to effective communication and also solutions to the barriers.

12. Tools; these state them the way they are without any qualifier

QN; Describe the tools of inventory and stores management.

Approach; -Begin by stating tools of inventory management then followed by tools of stores management.

Tools of inventory management	Tools of stores management
Lead time	Stock card/ bin
Re-order level	Stock requisition form
Working capital	Stock reconciliation form
Stores management	Physical stock taking
	Stock ledger

13. Characteristics/features/attributes/traits/aspects.

These state them the way they are but it depends on the nature of the question e.g.

Qn; Explain the characteristics of innovators.

- Trend spotters. Creative people identify social problems and look for the way of solving it.
- Inner directed. Creative people.....
- Self-disciplined. Creative people come up with new ideas.
- **ETC**

QN; Describe the characteristics of social entrepreneurs.

- Visionary
- Creative and innovative. Social entrepreneurs come up with innovative solutions to social problems.
- Goal oriented
- Passionate with what they do
- Risk takers
- **ETC**

QN; Describe the characteristics of a good tax system.

Here use should and answers be generated from the **FEC⁴ PENS** i.e.

- A good tax system should be flexible
- A good tax system should be economical
- A good tax system should be neutral
- A good tax system should be productive
- A good tax system should be convenient
- A good tax system should be simple
-

14. Circumstantial/situational/instance/when may...

-Start responses with **if, when, incase.**

- You can also use speculative words since the question is also speculative i.e.

Qn; under what circumstances may an entrepreneur terminate the services of an employee

- Incase of continued absenteeism of the employee
- Incase the contract has expired
- Incase of corruption
- Incase of disrespect/ indiscipline

- Incase of failure to keep the company secrets
- ETC

QN; Under what instances may an entrepreneur sell goods on credit.

- When goods are about to expire
- When goods are perishable
- Incase there is new stock
- Incase there is need for storage space
- ETC

QN; Under what circumstances may an entrepreneur divide market into different sub markets.

15. Methods/Techniques

-These state them the way they are.

-Separate points from explanation.

QN; Explain the methods of costing

- Job costing. Costing of the work order on the job
- Batch costing. Costing of identical products
- Product costing. Costing the products
- Service costing. Costing of services e.g electricity
- Process costing. Costing of the process of production
- Multiple costing. Costing of combined products
- Contract costing. Costing the agreements

Marketing techniques	Marketing strategies
Advertising	Referrals
Display	Cold calling
Negotiation	Networking
Favourable pricing strategies	News letters
Offering discounts	Writings
Effective communication with customers	Offering guarantees
	Proper display
	Advertising
	Giving free samples

16. Account for questions.

These depend on the nature of the question e.g

QN; Account for the failure of business plan implementation.

QN; Account for the high rate of failure of small and medium enterprises.

Approach; The above questions will have similar answers and give the causes i.e

- Inadequate capital
- Underdeveloped infrastructure e.g poor roads
- Limited raw materials

- Low levels of technology
- Political instability
- High interest rate on borrowing
- Unfavourable government policy
- Stiff competition which reduces market
- Inadequate skilled labour
- Economic instabilities i.e inflation
- High costs of production
- Limited market
- Price fluctuation
- **ETC**

QN; Account for the popularity of small and medium enterprises

Approach; There you give reasons/advantages e.g

- Needs less capital to start
- There is easy decision making
- Etc

QN; Account for the high rate of labour turnover in an enterprise.

Approach; Here you give causes of labour turn over

Ways of motivating/retention of workers	Causes of labour turnover
Paying workers promptly	Delayed payment
Ensuring job security	Absence of job security
Offering fringe benefits	Absence of fringe benefits
Promoting workers on merit	Discrimination of workers
Training workers	Limited training opportunities

QN; Examine the factors that influence/determine labour turnover

- Level of job security
- Fringe benefits given to workers
- Prospects of job security
- Etc

QN; Account for the wage variation/differences paid to workers in an organization.

Approach; All answers must start with variation in, Difference in e.g.

- Differences in the level of education
- Differences in the bargaining power
- Variation in skills

- Differences in the nature of the business

17. Roles/responsibilities/contributions

Approach; Start with present continuous tense[ing e.g promoting, providing, facilitating, creating etc

QN; Role of entrepreneurship in economic development/ contribution of SMEs/ social responsibilities of the business in the community/responsibilities to entrepreneurs.

Approach; The above answers are similar e.g.

- Providing goods and services
- Creating employment opportunities
- Raising government revenue through payment of taxes
- Utilizing idle resources
- Reducing harmful effects of the business on natural environment
- Supporting community development programmes
- Providing market for society products
- Equipping members of the society with social skills
- Empowering community members
- Etc

OR

You can use action verbs e.g. creation instead of creating, provision instead of providing

18. Question of the components/contents/elements/ structure

Approach; State them the way they are and give brief explanations using examples. E.g.

QN; Describe the elements of human resource management

- Employee induction. Introducing new employees to others
- Employee training
- Employee payment/remuneration
- Employee discipline. Involves dismissing workers
- Employee recruitment
- Employee communication
- Employee motivations
- Employee performance appraisal

QN; Describe the elements/components of the business plan.

- Executive summary. Summarises the business overview
- General description
- Statement of vision, mission, goals and objectives
- Production/technical plan
- Marketing plan
- Financial plan

- Action plan/ work plan/ implementation plan
- Organizational plan/ HR plan/administration plan/ management plan

Components of an organizational plan

- number of workers
- fringe benefits
- duties and responsibilities
- workers qualifications
- summary of administrative expenses
- organization structure/chain of command
- monitoring and evaluation of workers performance
- salaries and wages

QN; Mention any four aspects that should be included in the implementation plan.

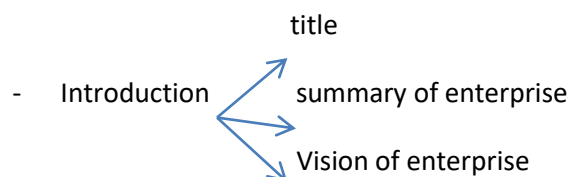
- Time frame
- Activity
- Indicators of success
- Resources needed
- Person in charge
- Remarks

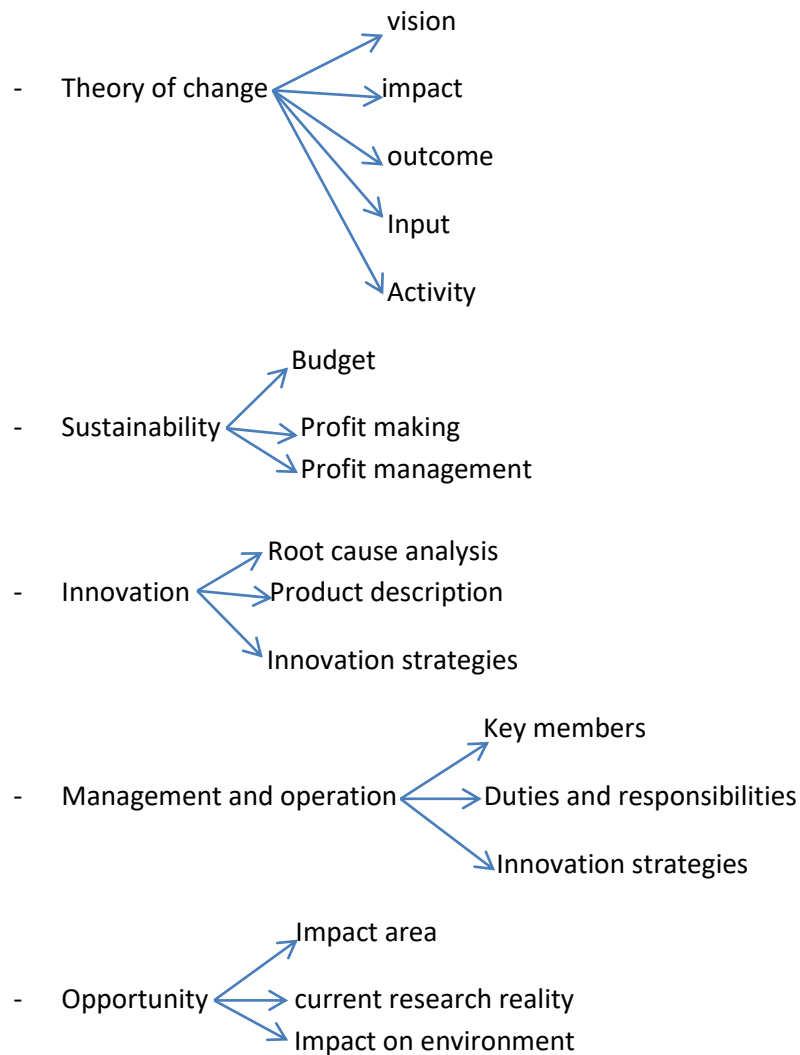
NB; You can generate advantages, reasons from all the components of a business plan

Financial plan	Component/aspect/item	Merits/advantages of financial plan	Reasons/rationale for preparing financial plan
	Source of funds	Helps to determine the source of funds	To determine the sources of funds
	Fixed capital requirements e.g land	Enables an entrepreneur to determine the fixed capital requirements eg land	To enable entrepreneurs determine the fixed capital requirements

NB; All components of a business plan in paper 2 should be written in present simple tense since they are working documents. Do not use shall, will i.e avoid speculative language

QN; Describe the components of a social enterprise plan.





NB; You can also generate the importance/ advantages of a social enterprise from the components of a social enterprise plan.

ADVICE

Measures/ techniques/ways/strategies/methods/activities/tactics/remedies/manifestations

Approach; Start with present continuous tense[ing] or action verb. Use words like providing, ensuring, E.g

Qn; Explain the ways of ensuring production of high quality products.

- Using high quality raw materials
- Employing skilled labour

- Using advanced technology
- Using attractive packaging materials
- Carrying out market research
- e
- Ensuring cleanliness
- Motivating workers to keep their morale high
- Training workers to equip them with skills.
- ETC

QN; Explain the aspects/ features that characterize entrepreneurial environment

Use abbreviation FOUR

- Flexibility. Entrepreneurial environment keeps on changing from time to time
- Opportunity orientation. Is the ability to analyse market opportunities
- Uncertainty. Involves Un expected risks
- Resource scarcity. Limited supply of resources e.g limited capital

Factors that affect/affecting/influence/influencing/determine/determining/factors to consider.

Approach; -State neutral points

-Give a two sided explanation i.e positive and negative sides

-Do not use speculative words like will, can, could, would in the explanation

Use words like; - Level of.....

- Degree of.....
- Availability of.....

QN; Examine the factors influencing production decision

- Cost of production. Entrepreneurs produce products where they incur low costs compared to production of goods where cost of production are high.
- Money requirements
- Labour requirements
- Acceptance by the community
- Government policy
- Sales potential
- Technological requirements
- Transport requirements

QN; Explain the types of entrepreneurial environment/ dimensions/framework.

PEST DG

- Political factors
- Economic factors
- Social cultural factors
- Technological factors
- Demographic factors
- Global factors

QN; Examine the political factors that affect/determine/influence the level of entrepreneurship development.

Political factors that promote/encourage/foster/necessitate the level of entrepreneurial development	Political factors that affect/determine/influence the level of entrepreneurial development	Political factors that limit/hinder the level entrepreneurial development
Give /state positive biased answers	-State neutral points -Give two sided explanation P²IG³T	Give negatively biased answers
1. Political stability	Political climate	Political instability
2. Increase in number of political and religious refugees attracts both local and international	Political and religious refugees	Decrease in number of political and religious refugees limits both local and international support
3. Strong laws and regulations promote entrepreneurship	Legal requirements/obligations	Weak laws e.g heavy fines discourage entrepreneurship

QN; Mention any four aspects/variables of the family that influence business start up process.

- Changing roles and responsibilities
- Family size
- Family background
- Family inheritance

Factors which limit/ discourage/hinder/hinderances/limitations/ barriers

- Give negative point statement and answers should be negatively biased e.g.
 - Small market size
 - Under developed infrastructure
 - Political instability.
- NB; Use words like under developed.....unfavourable.....low levels of.....limited.....insufficient.....inadequate.....
- **Do not use words like lack of.....lack of enough.....**

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