

P230/3

ENTREPRENEURSHIP

EDUCATION

Paper 3

AUGUST, 2024

3 hours



JINJA JOINT EXAMINATIONS BOARD

Uganda Advanced Certificate of Education

MOCK EXAMINATIONS – AUGUST, 2024

ENTREPRENEURSHIP

EDUCATION

Paper 3

3 hours

INSTRUCTIONS:

- This paper consists of three sections A, B, and C.*
- Answer four questions only. All questions carry equal marks.*
- Section A is compulsory. Answer any three questions from sections B, and C, choosing at least one question from each section.*

SECTION A : CASE STUDY

Answer all parts of this question.

1. Read the case study below and answer the questions that follow:

In 2015 three fresh Busoga University Graduates (Musana ,Isabirye and Kawudha) concerned about the high youth unemployment rates decided to form a savings scheme Busoga Young Entrepreneurs SACCO with their meagre savings worth shs. 1,500,000. Their intention was to pool money which they could draw from to start their businesses and offer financial mentorship to its members.

After 2 years the SACCO had 315 members', capital worth shs. 60,000,000 in assets and investments and loan portfolio of shs. 27,000,000. To legalise their operations, the founder members got its Certificate of Registration in 2016 from the Ministry of Trade, Industry and cooperatives.

They visit member's business before and after financing to ascertain their feasibility and sustainability, offer training to business owners, advise on the type of business they can choose so that they do not go wrong and usually come up with business options for members to choose the ones they want.

The SACCO has a committee of nine elected members who are answerable to the members, oversee the operations and responsible for the welfare of the employees. The committee holds meetings once a month and account signatories include the Chairperson, Treasurer and Secretary.

Three professional staff have been recruited. One deals with office administration, the other is in charge of marketing and recruitment of new members while third person handles books of accounts and prepares management accounts.

Demand for loans is usually high, but members have to save for three months before qualifying to borrow. This gives us time to mobilize funds to lend." Musana says:

Some of the products of the SACCO include emergency loans, business loans which range from shs. 3,000,000 to shs 10,000,000 and charity work in the community. Repayment terms vary depending on the loan amount, but maximum repayment period is 12 months. When a member defaults without a verifiable reason he/she is charged an Interest rate of 4% and hence reduced default rate.

Questions.

- a) Apart from members' savings, identify other sources of revenue to the SACCO. (04 marks)
- b) Explain the factors that have contributed to the continued progress of Busoga Young Entrepreneurs SACCO. (06 marks)
- c) Outline the benefits of operating a registered SACCO to the members. (05 marks)
- d) How has Busoga Young Entrepreneurs SACCO benefited the community? (06 marks)
- e) What lessons do you learn from the above case study? (04 marks)

SECTION B: SCHOOL BUSINESS CLUB

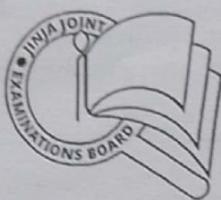
2. With reference to the school Business project operated by your Entrepreneurship club.
 - a) Present the general description of business project. (04 marks)
 - b) Explain the factors that were considered when selecting the channel(s) of distribution. (06 marks)
 - c) Outline the components of the business products. (04 marks)
 - d) What marketing activities did you carry out? (05 marks)
 - e) Describe the strategies adopted in managing physical assets of the project. (06 marks)

3. Basing on your school club project in which you participated:
 - a) Give the general description of the business project. (04 marks)
 - b) Describe the techniques that were used to promote sales. (08 marks)
 - c) Explain the economic environmental factors that affected the production process of the business. (06marks)
 - d) What customer care strategies were adopted during business transactions? (06 marks)

SECTION C: FIELD ATTACHMENT/FIELD TRIP

4. For any field attachment carried out:
 - a) State the objectives of field attachment. (04 marks)
 - b) Describe the factors that affect production decisions of the enterprise. (08 marks)
 - c) Explain the internal control systems used by the business to ensure production of quality products. (08 marks)
 - d) What factors are based on when determining prices of the enterprise products? (05 marks)

5. For any field Trip you made as an individual or as a group:
 - a) Describe the nature of the business. (04 marks)
 - b) What operational methods does the business consider when analyzing competition in business? (06 marks)
 - c) How does the business avoid the common causes of business failure? (08 marks)
 - d) Advise the entrepreneurs(s) on challenges to be faced when business products are offered on credit. (07 marks)



Tr. Mataya

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P230/3 ENTREPRENEURSHIP

Marking guide

Section a case study

1. Other sources of revenue to the SACCO apart from savings may include:

- Membership fee
- Retained profits
- Loans/Borrowing
- Grants and donations
- Sale of property/Hiring out property
- Etc.

(4x1 = 04)
Any $3 \times 1 = 03$ marks)

No evidence required.

(b) Factors that have contributed to the continued progress of Busoga Young Entrepreneurs SACCO are:

- The SACCO has a talented /trained team of staff with great skills in accounts management and credit.
- High level of transparency, especially when handling member's issues.
- The SACCO has a committed board of governors who meet once every month to review the books of accounts and reach away forward.
- The SACCO uses its own internal funds to issue loans instead of borrowing externally to satisfy members' demand for loans.
- They carry out feasibility studies on members' projects to be funded and this only viable ones are chosen.
- Giving of shorter credit period to the members of 12 months within which to repay the loans.

(Any $6 \times 1 = 06$)

Any $4 \times 2 = 08$ marks

Evidence is required.

(c) Benefits of operating registered SACCO to the members are: -

- Easy access to loans/credit from other financial institutions.
- Access to government financial assistance/ support e.g PDM
- SACCO is legally recognized in the society and this can perform its activities without any interference.
- Have a sound base for expansion in size and revenue due to having a clear vision mission goals and objectives.

- It has a clearly defined system policies and procedures that govern business operations and are followed by the management and employees.
- SACCO is reliable and permanent e.g cannot easily change location and purpose for formation as stated.
Etc.

Any 5x1 = 05 marks)

No evidence required.

- (d) Benefits of the SACCO to the community may include:
- Promote capacity building and human investment through members training and education.
 - Promote a saving culture amongst their members.
 - Offering of employment opportunities to members of the community.
 - Profits realized by SACCO are distributed to members in form of dividends
 - Members are able to obtain different categories of loans e.g emergency loan, business loans etc.
 - Access assistance from government on behalf of its members.
 - Easy procedures of loan scheme for members as they may only need individual guarantors and deposited savings of members.
 - Source of revenue to the community through taxes imposed on profits realized.
 - Source of market for community resources e.g renting house as offices.

Any 5x1 = 05 marks)

Any 6x1 = 06 marks)

- (e) Lessons learnt from the above case study.
- Founders of a SACCO must show transparency to themselves and to the members
 - Employment of skilled and trained staff with the requisite accounting and management skills to run the SACCO.
 - Not to fear challenges but rather look for remedies to the challenges.

SECTION B: SCHOOL BUSINESS CLUB

2. (a) The general description of the business should show
- I. Name and address of the business
 - II. Products offered.
 - III. Target market/customers
 - IV. Date of establishment
 - V. Sources of capital
 - VI. Description of business premises and other fixed assets
 - VII. Physical location of the business
 - VIII. Nature/legal form of business
 - IX. Uniqueness of the business
 - X. Purpose of business ie. Vision, mission, Goals and objectives. The SWOT analysis of the business

Any 4x1 = 04 marks

NB: Must be prepared

- (b)
- i. Factors that were considered in choosing a channel of distribution are:-
Nature of the product(s) (Evidence mentioning the products and their nature)
 - ii. Reliability of the channel and its image (Evidence describing the reliability of the chosen channel)
 - iii. Cost effectiveness (Evidence: Mentioning the cost of distribution channel)
 - iv. Location of target customers (Evidence stating the location of customers)
 - v. Availability of storage facilities (Evidence stating or describing the storage facilities used)
 - vi. Nature and size of the market. (Evidence: quoting the market size, describing the nature of market)
 - vii. Value of the product (Evidence: stating the value of the product)
 - viii. Level of competition in the market. (Evidence mentioning the competitors)
 - ix. Elegancy of the product (Evidence. Quoting the time frame for delivery of the products)
 - x. Size of the business. (Evidence: Mentioning/ describing the size)
 - xi. Availability of middlemen. (Evidence mentioning the middleman)
 - xii. Quantities bought (Evidence: Quoting the quantities bought by customers)

Any 6x1 =06 marks

Evidence is a must.

- (c)
- Elements /components of the business products may include: -
 - I. Branding. (Evidence: Mentioning the given names of products)
 - II. Product design. (Evidence: stating the product shape style of the product)
 - III. Package (Evidence: Mentioning the package materials used.)
 - IV. Labeling (Evidence: Quoting the codes /numbers of products)
 - V. Product distribution Evidence: Listing the channels of distribution)
 - VI. Pricing of products (Evidence mentioning the products with their respective prices)
 - VII. Technology used in production. (Evidence mentioning the technology used)
 - VIII. *Blanding* (Evidence: Stating the different ingredients used in the manufacture of a given product)

Any 4 x1 =04 marks

Evidence is a must

- (d)
- Marketing activities carried out in the business.
 - I. Pricing of business products (Evidence Quoting the prices of products)
 - II. Selling and distribution of products (Evidence stating the channel(s) of distribution used)

- III. Market research (Evidence Quoting methods of data collection used or nature of information gathered or when it took place)
- IV. Advertising. Evidence: Stating the media used or how it was carried out)
- V. Cold calling: Evidence describing how it was carried out)
- VI. Other sales promotion activities than advertising Evidence: Mentioning them.
- VII. Customer case

Any 5x1 = 05 marks

Evidence is a must

- (e) Strategies of managing physical assets in the business are:
 - i. Labelling/coding/Engraving of assets with business name.
 - ii. Ensuring adequate security at the work place.
 - iii. Ensuring proper storage of assets when not in use.
 - iv. Timely and regular servicing of assets
 - v. Maintaining and asset register
 - vi. Ensuring proper use of assets
 - vii. Training employees regularly on use of machines
 - viii. Insuring the assets

Any 6x1 = 06 marks

Evidence required

3

- (a)
- i. Name and address of the business
 - ii. Products offered.
 - iii. Target market/customers
 - iv. Date of establishment
 - v. Sources of capital
 - vi. Description of business premises and other fixed assets
 - vii. Physical location of the business
 - viii. Nature/legal form of business
 - ix. Uniqueness of the business
 - x. Purpose of business ie. Vision, mission, Goals and objectives.
 - xi. The SWOT analysis of the business

(b) Techniques which was used to promote sales are:

- i. Participating in trade fairs and exhibitions
- ii. Providing quality products
- iii. Having knowledge of the products
- iv. Selling on credit
- v. Giving free samples

- vi. Proper and attractive packaging
- vii. Being polite to customers
- viii. Offering after-sales services
- ix. Giving gifts/trade stamps
- x. Organising competitions and winning prizes
- xi. Branding
- xii. Opening new sales outlets/sales points/added convenience
- xiii. Personal selling
- xiv. Offering discounts
- xv. Giving donation/sponsorships

Any 6 x 1 = 06 marks Any 8 x 1 = 8 Marks

(c) Economic environmental factors that affected the production process of the business are:

- i. Economic policy i.e open market system. (Evidence how resources were acquired and used)
- ii. Administrative issues. (Evidence: description of procedural requirements eg registration, payment of rent licensing etc)
- iii. Level of infrastructural development. (Evidence: mentioning the infrastructural facilities and how they affected the business)
- iv. The financial systems ie banks SACCOs microfinance institutions etc. (Evidence: description of how they affected the business)
- v. Legal requirements Evidence: description of school rules and club constitution about ownership rights and protection)
- vi. Resource availability eg land, capital etc (Evidence mentioning resources obtained in the school and used in business)
- vii. Cost of production/cost of doing business/price level/ Rate of inflation. (Evidence: description of how costs affected the business)
- viii. Economic incentives (Evidence: mentioning the incentives)
- ix. Level of competition. (Evidence, mentioning the competitors)

Any 4 x 2 = 08 marks Any 3 x 2 = 6 marks

(d) Customer care strategies that were adopted during business transactions:

- I. Warm welcoming customers eg with a smile
- II. Offering good quality products /services
- III. Being honest
- IV. Being pleasant eg dressing
- V. Charging fair prices
- VI. Helping customers make appropriate choices/having and exhibiting knowledge of the products/services
- VII. Offering/giving appropriate after-sales services

- VIII. Treating customers with respect and dignity
 - IX. Extending credit facilities
 - X. Offering prompt and excellent services
 - XI. Handling customers' complaints well/timely response to customers' complaints.
- Any 7 x 1 = 07 marks

SECTION C FIELD ATTACHMENT/FIELD TRIP

- 4. Objectives of field attachment.
 - I. To instil confidence required for fitting in the real business environment
 - II. To develop and apply skills that are appropriate/ applicable to the real business world in which they will be working.
 - III. To apply knowledge and skills acquired in the classroom to the real business environment.
 - IV. To develop and apply appropriate interpersonal skills in the real business environment.
 - V. To develop and refine their communication skills and business ethics required for working in a business
 - VI. To select/choose whether to go for self-employment or paid employment/choose their careers.
 - VII. To identify role models and mentors to help in achieving their visions.

Any 4x1 = 04 marks

Evidence not required

- 4(b) Factors that affect production decisions of the enterprise may include:
 - i. Facilities available: Evidence mentioning the facilities available for the entrepreneur to use)
 - ii. Sales protection (Evidence: stating the sales revenue for different products.)
 - iii. Cost of production. (Evidence: stating the costs incurred)
 - iv. Money/capital requirements (Evidence: Mentioning the money required in production of given product)
 - v. Labour requirements: (Evidence: Describing the skills possessed by labour, Quoting the number of workers.)
 - vi. Availability of raw materials (Evidence mentioning the raw materials used and where they are procured from.)
 - viii. Supply Sources/reliability of the supplier.
 - ix. (Evidence: mentioning the suppliers)
 - x. Transportation *requirements*
 - xi. Acceptance by the community

- xii. Legal requirements
- xiii. Time requirement
- xiv. Technological requirements
- xv. Nature of the products

Any 4x2 = 08 marks

NB: (i) mentioning 1mk

Evidence 1mk

Evidence is a must.

- 4.(c) Internal control systems used by the business to ensure production of quality products included:
- i. Using better/high quality raw materials
 - ii. Emplacing skilled /professional workers
 - iii. Ensuring regular/constant monitoring and supervision of the production process/workers.
 - iv. Setting quality standards to be followed/ observing standard specifications regarding quality and quantity.
 - v. Using appropriate technology
 - vi. Ensuring proper storage of raw materials and finished goods.
 - vii. Using appropriate distribution channel/system
 - viii. Undertaking continuous market resource/getting regular feedback from customers.
 - ix. Undertaking product research and development.
 - x. Motivating workers
 - xi. Operating in a clean environment
 - xii. Giving clear instructions to workers
 - xiii. Ensuring proper packaging of products
 - xiv. Training of worker
 - xv. Encouraging specialization/Division of labour.

Any 4x2 = 08 marks

NB: Mentioning 1mk

Evidence 1mk

- 4.(d) Factors based on when determining prices of business products may include:

- i. Cost of production/cost of the product
- ii. Level of competition/prices charged by competitors.
- iii. Profit margin that an entrepreneur wants.
- iv. Quantity to be bought
- v. Seasonal factors
- vi. Government policy on pricing

- vii. Terms and conditions of sale
- viii. Nature of the products
- ix. Speculation
- x. Level of customer's income
- xi. Customers' knowledge about the available substitutes.
- xii. Objectives of the entrepreneur
- xiii. Customers perception in terms of quality

Any 5x1 = 05 marks

5(a)

- Name and address of the business
- i. Products offered.
- ii. Target market/customers
- iii. Date of establishment
- iv. Sources of capital
- v. Description of business premises and other fixed assets
- vi. Physical location of the business
- vii. Nature/legal form of business
- viii. Uniqueness of the business
- ix. Purpose of business ie. Vision, mission, Goals and objectives.
- x. The SWOT analysis of the business

Evidence is required.

Any 4x1 = 04 marks

- (b) Operational methods considered when analysis competition by the business are:
- i. Size/level of competition/number of competitors
 - ii. Profitability of the competitor.
 - iii. Quality of products offered by the competitors
 - iv. Hours of operation of the business
 - v. Methods of product selling and distribution.
 - vi. Nature of customer care
 - vii. Nature of after sales services offered.
 - viii. Nature of the labour force /personnel employed
 - ix. Price charged on similar products.

Any 6x1 = 06 marks

- (c) How the enterprise avoids common causes of failure are:
- i. Employing skilled staff/Training of staff
 - ii. Avoiding excessive drawings
 - iii. Observing government laws and regulations
 - iv. Ensuring proper location of the business,
 - v. Proper record keeping/Financial management

- vi. Setting clear objectives
- vii. Ensuring effective and efficient business planning.
- viii. Continuous searching and maintaining market for business products.
- ix. Ensuring proper customer care.
- x. Proper utilization of business cash/profit
- xi. Carrying out selective credit selling/selling on cash basis.

Any 4x2 = 08 marks.

- (d) Advise on challenges faced when selling products on credit basis are:

- i. A lot of working capital is tied up in debts hence limiting on cash available for
- ii. day to day operations.
- iii. Bad debts
- iv. Difficulty in establishing credit worthiness of customers.
- v. Limited /unfavorable laws to protect credit sales.
- vi. Challenges of record keeping
- vii. Poor relations/misunderstanding with customers.
- viii. Inflationary situations lead to greater losses.
- ix. Difficult in recovering cash in case of death or transfer of the customer.
- x. Difficulty in planning for the business.

Any 7x1 = 07 marks

Evidence not required.