



MATIGO EXAMINATIONS BOARD

**P230/1 ENTREPRENEURSHIP EDUCATION
MARKING GUIDE 2024**

SECTION A (20 MARKS)

1. a) (i) Ethics are a set of moral principles which are recognized in respect to a particular class of human actions or particular group **(01 mark)**

Business ethics are acceptable ways in which business should conduct themselves towards different parties.

OR. Business ethics are values/ virtues that business people/entrepreneurs apply when making business decisions **(1 mark)**

ii) Principles of good business ethics

- Honesty
- Promise keeping
- Fairness
- Respect for others
- Integrity
- Compassion
- Law abiding.

Any 2 x1 = 2 marks

- b) i) Gender partnership refers to the idea of men working harmoniously with women as joint partners in business. **(1 mark)**

ii) Objectives of promoting gender partnership.

- To reward each member fairly for his/her services
- To eliminate threats of exploitation or victimization based on gender.
- To make each participant aware of his/her membership.
- To promote a two-way communication in business.
- To promote a sense of belonging and identify to the business by the members.
- To promote the equal development of all members.
- To enable members communicate their feelings about various business aspects.

Any 3 x 1 = 3 marks)

Begin with "To"

c) i) Factors that necessitate good relationship between family and business.

- Enforcement of effective communication in the family/transparency or openness.
- Complete commitment from all family members.
- Good family relationships at home.
- Trained family management.

- Collective family participation in business activities.
- High level of trust for each other.
- Joint family funding
- Inheritance
- Fear of hired management
- Source of employment to family labour
- Managerial decision making
- Early involvement of children in business

Any 2x1 = 2 marks.

ii) Challenges associated with family business

- Difficulty in decision making especially with finance.
- Challenge of succession of business in case of death, it's not easy to decide who to take over the family.
- Limited skills to operate the business.
- Intentional misuse of money
- Inadequate capital to operate and expand the business.
- Absence of outside opinions and diversity on business management(Tunnel vision)
- Laziness among family members
- Theft and misuse of business funds and stock
- Excessive withdrawing of goods from the business for private use by family members
- Likelihood of management wrangles due to mixed interests.
- Challenge of role confusion. Roles of each member are not clearly defined.
- Challenge of compensating family members especially those who do not actively participate in the business.
- Emotions due to family problems like divorce, separation, financial problems etc.
- Informality due to lack of clear policies and business norms for family members and being unregistered in most cases.
- Conservatism of family members
- Ineffective communication due to role confusion.
- High level of nepotism/favoritism in family businesses where family members are favoured compare to non-family members.
- High rate of losing hired workers due to limited promotion opportunities and family conflicts.
- Challenge of communication. At times there is no transparency in affairs of the business due to selfish reasons.
- Excessive competition from other business which are single owned and those owned by foreigners since for them are too fast than family businesses in embracing changes.
- Mismanagement of family businesses leading to their poor performance and hence early collapse.

Any 2x1 = 2 marks)

d) i) Tax clearance refers to the process of certifying that one has completely settled his/her tax obligations. **(1 mark)**

While

Tax identification Number is a unique number that distinguishes one tax payer from another. **(1 mark)**

ii) Challenges faced by Uganda Revenue Authority

- Incompetent manpower to assess taxes
- Frequent changes of employment by people.
- Too much tax evasion and avoidance.
- High rates of inflation
- Political unrest due to too much taxes
- Corruption among tax assessors and collectors.
- Political instabilities in some areas
- High costs of collecting taxes
- Limited production levels in the country
- Narrow tax base
- Smuggling, dumping and forging stamps
- Limited facilitation of tax officers due to low budget allocations
- Ignorance of tax payers on the tax laws, tax rates and different taxes.
- Low political will due to dealing with corrupt people.

Any 2x1=2 marks

e) i) Sustainable development refers to the development that meets the needs of the present generation without compromising the future generation to meet their needs.

ii) Strategies for promoting sustainable development.

- Increasing access to goods and services.
- Increasing opportunities for the disadvantaged groups
- Increasing access to knowledge through education and awareness
- Sensitizing community members against violence.
- Conservation of the environment
- Improving the quality of life of the people.
- Encouraging establishment of income generating activities.
- Empowering the community members.
- Increasing awareness on hygiene, cleanliness etc to fight diseases

Any 3x1=3 marks

SECTION B (80 marks)

2. a) Components of entrepreneurial environment.

- Political environment. This includes the laws, government agencies and lobbying groups that influence business in society.
- Economic environment. This refers to the nature of economic systems of a particular society that directly affect the level of entrepreneurial development.

- Social-cultural environment. This concerns the social and cultural values and practices of society that affects entrepreneurial development and decision making.
- Global environment. This involves the movement of people, goods and ideas due to increased economic integration across borders which in turn increase trade and investment.
- Demographic environment. This deals with population changes in line with age, population size and other variables like gender, family, marital status, education level etc that impact on entrepreneurial intentions.
- Technological environment. This involves the know-how and other intellectual factors that may affect the entrepreneurs' decisions.
- Natural environment. This includes all living and non-living things that are found in the area of the earth that affect the entrepreneurs' decision making or entrepreneurship.

Any 5 x 2 = 10 marks *1 mark- mentioning, 1 mark- explaining*

b) Social – cultural factors that influence entrepreneurial attitudes and opportunities.

- Culture as regards entrepreneurship
- Religion
- Availability of role models
- Social financial support
- Social identification
- Level of education
- Family setting

Any 5 x 2 = 10 marks

1 mark – mentioning the point

1 mark- explaining. The point should be neutral and 2 sided explanation ie positive side and negative side.

3. a) Factors considered when evaluating business opportunities.

- Present market
- Market growth
- Costs involved
- Business risks
- Personal considerations
- Acceptability in the community
- Level of competition

Any 6 x 1 = 6 marks. *Points should be well explained.*

b) Rationale for generating business ideas

- ✓ To respond market needs
- ✓ To respond to natural threats and scarcities.
- ✓ To stay ahead of competition
- ✓ To exploit technology to do things better.

- ✓ To promote finite product lifecycle
- ✓ To help specific groups of people
- ✓ To spread risk and allow for failure
- ✓ To change fashions and requirements
- ✓ To promote business success
- ✓ To build a network with stakeholders through involving them in developing and implementing a business idea
- ✓ To obtain the required resources before the rivals by creating a product that utilization the available idle resources
- ✓ To bring new products into the market by transforming a new idea into new goods or services so as to capture new customers
- ✓ To increase the sales or market share of a business by introducing better quality goods and services that attract more customers
- ✓ To create a positive impact on society by launching and implementing a business idea so as to provide new product that is liked by society
- ✓ To increase the profitability of the business by introducing new products that re highly priced before the rivals carry out production
- ✓ To create a good product image by launching a new/better product so as 10 build brand loyalty in the customers.

*Begin with To, in order to so as to, need to, for
Points should be well explained*

Any 7 x 2 = 14 marks.

4. a) Factors that affect business competition

- Mobility and accessibility overlap
- Product overlap
- Substitution
- Public awareness
- Product priority

Any 5 well explained x 2 = 10 marks

1 mark- mentioning 1 mark- explaining

Points are neutral then 2 sided explanation.

b) How a business can attain its competitive advantage. Use present continuous tense or start with “By” or “Through”

- ✓ Improving the life quality of products.
- ✓ Reducing prices
- ✓ Using attractive packaging materials.
- ✓ Improving customer care services
- ✓ Advertising the products persuasively.
- ✓ Face lifting of business premises
- ✓ Added convenience i.e opening early and closing late.
- ✓ Offering trade discounts to customers
- ✓ Through credit sales! hire purchase

- ✓ Merging with competitors for example Airtel and warid.
- ✓ Opening many Branches
- ✓ Maintaining good cooperate image eg by giving financial and material help to disadvantaged customers
- ✓ Capitalizing on the competitor" s weaknesses to improve the cooperate image.
- ✓ Motivating the business employees
- ✓ Carrying out promotional sales
- ✓ Training employees
- ✓ Promoting good customer relations
- ✓ Ensuring convenient location
- ✓ Creating customer loyalty attractions such as giving gifts, free samples, and service delivery.

Any 10 x 1= 10 marks Points should be well explained.

5. a) Importance of an action plan to budding entrepreneurs.

- ✓ Helps the entrepreneur to remain focused on business objectives
- ✓ Helps to identify barriers in advance so that the entrepreneur can take appropriate steps to remove them
- ✓ Helps an entrepreneur to locate Sources of information and resources needed for the business
- ✓ It acts as a time table for implementing the business plan
- ✓ Helps an entrepreneur to identify the SWOT of the business and that of Competitors
- ✓ Helps to obtain information/feedback on the progress of the business.
- ✓ Establishes the sources of resources needed for implementation
- ✓ Helps an entrepreneur in decision making when implementing the project
- ✓ It helps the entrepreneur to budget and know how much to spend on the project
- ✓ It helps the entrepreneur in allocating responsibilities to employees

Use present tense Any 8 x 1 = 8 marks

b) Factors considered when preparing a marketing plan

- ✓ Target market population
- ✓ Market size, growth and expected market share.
- ✓ Position of competitors
- ✓ Sales promotion and advertising strategies.
- ✓ Channels of distribution
- ✓ Pricing strategies
- ✓ Terms of sale
- ✓ Expected sales
- ✓ Plan for recruiting and motivating salespersons
- ✓ Nature of products/services offered

Any 6 well explained x 2 = 12 marks positive explanation is required.

6. a) Characteristics of potential customers

- Age

- Sex
- Location
- Occupation(employment)
- Income
- Leisure activities
- Product usage

Any 6 well explained x 1 = 6 marks

7. a) Factors that determine the target market population in a given business environment.

- ✓ Level of income
- ✓ Consumption habits
- ✓ Government policy on taxation I subsidization I consumption .
- ✓ Culture and ethnicity of the society
- ✓ Change in production
- ✓ Level/Degree of education.
- ✓ Market share of product
- ✓ Level of consumption.
- ✓ Gender composition of the population I population structure I age and sex.
- ✓ Trends in the market
- ✓ Level of advertising

1 mark – mentioning 1 mark- explaining the point

Any 7 well explained x 2 = 14 marks

8. a) Benefits of labour turnover

- ✓ It brings new ideas, skills and enthusiasm to the labour force
- ✓ It enables an enterprise to get rid of indisciplined workers/less productivity workers.
- ✓ It enables an enterprise to reduce its labour force rather than having too many who are redundant Enables an enterprise to get new employees who are resistant to change.
- ✓ It gives management the opportunity to restructure departments and functions
- ✓ It allows flexibility in the way the organization is run.
- ✓ New employees become excited about their new jobs and work harder to please the management and clients
- ✓ New employees are willing to accept even a lower pay.

Any 5x1=5 marks.

Costs of labour turnover

- ✓ Additional recruitment costs
- ✓ Lost production costs
- ✓ Increased training costs for new workers
- ✓ Loss of knowhow and customer good will
- ✓ Potential loss of sales
- ✓ Damage to those who remain behind
- ✓ Hiring costs
- ✓ Higher accident rates z
- ✓ Underutilization of production facilities
- ✓ High rate of scrap and waste
- ✓ Over time pay increased

- ✓ Lowers reputation of the business

5 costs x 1 = 5 marks. Use present tense

b) Solution to the high rate of labour turnover in business

- ✓ Engaging employees to make committee
- ✓ Enabling employees to access knowledge.
- ✓ Sharing information with employees
- ✓ Optimizing workers performance by providing good working conditions
- ✓ Internalizing the values of the Job to create job involvement
- ✓ Empowering employees to enhance their continuity in enterprises
- ✓ Respecting employees
- ✓ Giving employees adequate and timely remuneration
- ✓ Recruiting employees who are qualified for a particular job
- ✓ Practicing equal/fair treatment of all workers
- ✓ Assuming promotion prospects to workers
- ✓ Ensuring favorable job content
- ✓ Involving workers in the decision making process
- ✓ Appraising and recognizing the contributions of workers
- ✓ Ensuring pleasant working conditions for workers
- ✓ Providing on job training and further studies tor employees
- ✓ Using open/proper communication
- ✓ Attending to worker's problems
- ✓ Providing fringe benefits to workers

Any 10 x 1 = 10 marks

Use present continues tense or Begin with “By”/”Through”

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