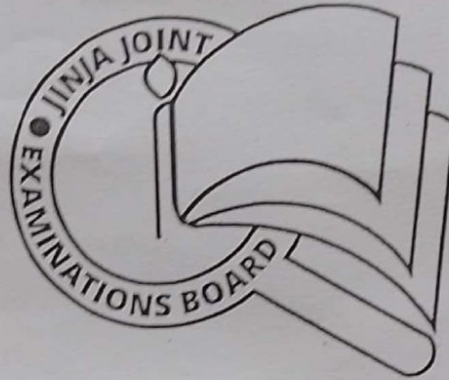


P230/1
ENTREPRENEURSHIP
EDUCATION
Paper 1
AUGUST, 2024
3 hours



JINJA JOINT EXAMINATIONS BOARD
Uganda Advanced Certificate of Education
MOCK EXAMINATIONS – AUGUST, 2024
ENTREPRENEURSHIP
EDUCATION

Paper 1

3 hours

INSTRUCTIONS:

- a) This paper consists of two sections A and B.
- b) Section A is compulsory and answers to this section must be precise
- c) Answer any four questions from section B.
- d) All questions in section B carry equal marks.
- e) Any additional question(s) done will not be marked.

SECTION A (20 MARKS)

Answer all questions in this section

1. (a) Outline any two; (02 marks)
 - (i) Types of business opportunities. (02 marks)
 - (ii) Tools for carrying out business idea survey. (04 marks)
- (b) Identify any four constraints to gender partnership. (01 mark)
- (c) (i) Define the term market assessment as used in entrepreneurship. (03 marks)
- (ii) State three objectives of carrying out market assessment. (01 mark)
- (d) (i) What is a capital market as used in entrepreneurship? (01 mark)
- (ii) List any three types of debt instruments used in Uganda capital markets. (03 marks)
- (e) Given the following assets and liabilities of a business.

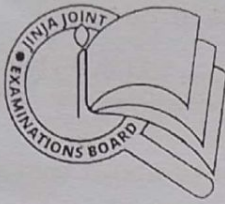
	(Shs)
Land	10,000,000
Furniture	5,000,000
Stock	4,000,000
Creditors	3,000,000
5 Year loan	6,800,000
Debtors	2,000,000

Calculate the value of the:

- (i) Capital, (02 marks)
- (ii) Total current assets of the business. (02 marks)

SECTION B: 80 MARKS

2. (a) Describe the laws that help to develop a lucrative and effective personal brand. (12 marks)
- (b) What is the significance of developing a personal brand in a business? (08 marks)
3. (a) Why are indirect taxes preferred to direct taxes? (10 marks)
- (b) Assess the impact of taxation on entrepreneurial activities. (10 marks)
4. (a) Examine the political factors that impact on entrepreneurial intentions and opportunity orientation. (12 marks)
- (b) How can the political environment be improved? (08 marks)
5. (a) Explain the significance of preparing an executive summary for a business. (08 marks)
- (b) How do entrepreneurs monitor their business operation? (12 marks)
6. (a) Discuss the rationale for recruiting personnel in an organization. (12 marks)
- (b) Suggest possible strategies for retaining an enterprises Human Resources. (08 marks)
7. (a) Examine the factors that lead to production of poor quality goods. (12 marks)
- (b) In what ways can entrepreneurs increase business profits? (08 marks)



JINJA JOINT EXAMINATIONS BOARD

Uganda Advanced Certificate of Education

MOCK EXAMINATIONS JULY/AUGUST 2024

Tr. Mataya

P230/1 ENTREPRENEURSHIP

MARKING GUIDE

SECTION A

1. (a) (i) Types of business opportunities include:

- Merchandising or trading business
- Franchise type of business
- Service type of business
- Manufacturing/processing business
- Agro-business/agro-business
- Etc.

Any 2x1 = 02 marks

(ii) Tools for carrying out business idea survey may include:

- Brainstorming
- Observation
- Interviewing
- Surfing
- Sampling/Experimental method
- SWOT analysis
- Questionnaires
- Personal contacts
- Documentary review.

Any 2x1 = 02 marks)

(b) Constraints to gender partnership include:

- Unjust rewarding of members for their services.
- Excessive treats of exploitation and victimization based on gender.
- Lack of awareness of workers/participants of their membership and that of others.
- Dissatisfaction of each member/worker from participating in business among themselves and with top management.

M.R

- Absence of a two-way communication between members in business themselves and with the top management.
- Lack of feeding of identity/belonging to the business or partnership by a worker.
- Failure of members/workers to communicate their feelings about various business aspects etc.

Any 4x1 = 04 marks)

(c) (i) Meaning of market assessment:

- Refers to the process of collecting and analysis of market information to identify the opportunities and challenges of a product in the market.
(01 mark)

(ii) Objectives of carrying out market assessment.

- To establish/identify the business customers
- To establish the location of the customers.
- To identify the interests /desires of customers
- To determine the level of profitability of the product
- To establish the income level of customers
- To facilitate decision making
- To determine the effectiveness of the distribution channel.
- To ascertain problem/challenges with the current products if any.
- To determine the effectiveness of advertising
- To assess the strength of the competitors
- To establish the price customers can afford to pay.

Etc.

Any 3x1 = 03 marks)

(d) (i) Capital market: Is a market that trades in long term financial products/securities/instruments. (01 mark)

(ii) Three types of debt instruments used in capital markets are:

- Bonds
- Commercial papers
- Treasury note
- Mortgages
- Lease
- Debentures
- Bills of exchange

Any 3x1 = 03 marks)

(c) (i) Capital = Assets – Liabilities

$$\begin{aligned}\text{But Assets} &= \text{Land} + \text{furniture} + \text{stock} + \text{Debtors} \\ &= 10,000,000 + 5,000,000 + 4,000,000 + 2,000,000 \\ &= \text{shs } 21,000,000\end{aligned}$$

Liabilities = creditors + 5-year loan

$$= 3,000,000 + 6,800,000$$

$$= \text{shs } 9,800,000$$

$$\begin{aligned}\therefore \text{Capital} &= 21,000,000 - 9,800,000 \\ &= \text{shs. } 11,200,000\end{aligned}$$

(ii) Total current Assets = Stock + Debtors

01 Mark

$$= 4,000,000 + 2,000,000$$

$$= \text{shs. } 6,000,000$$

01 Mark

SECTION B

2. (a) Laws that help to develop a lucrative and effective personal brands are:-

- i. Specialization
- ii. Leadership
- iii. Personality
- iv. Distinctiveness/Uniqueness
- v. Visibility
- vi. Unity
- vii. Persistence
- viii. Good will

Any 6 x 2 = 12 marks

Mentioning 1 mark

Explanation: 1 mark

- i. (b) Significance of developing a personal brand in business include:
‘improves business image/reputation as it speaks a lot about the business

- ii. Enables an entrepreneur in implementing new business plans with the customers
- iii. It enables an entrepreneur to raise or increase brand visibility.
- iv. It enables the entrepreneurs/seller to position the business message in the minds of the customers as it makes easy to advertise the products.
- v. Adds value to the business products being sold.
- vi. Increases authority and credibility of decision making by business in producing the products required by customers.
- vii. Helps to attract the right people/customers and opportunities, hence increasing revenue of the business.
- viii. Associates the seller /producer with a product or service.
- ix. Helps the entrepreneur to compete favourably in the market through building a brand loyalty with customers.
- x. Increases sales as a good brand of old one's new customers and retention of old ones.

Any 8x1 = 08 marks

3. (a) Preference of indirect taxes to direct taxes:
- i. Are difficult to avoid and evade since they are contained in the prices of goods and services consumers buy unlike direct taxes which are ^{hard} to avoid and evade
 - ii. Indirect taxes are comprehensive and act as a more reliable source of government revenue unlike direct taxes which exempt some tax payers and only levied on few individual's incomes.
 - iii. Indirect taxes are elastic/flexible unlike direct taxes which are hard to adjust depending on the changes in the country's economic situation.
 - iv. Indirect taxes are convenient to the taxpayers since they are paid when a consumer spend on goods/services compared to direct taxes which are inconvenient to tax payers especially when they are paid in lumpsum and in advance.
 - v. Indirect taxes are more economical in collection since they are collected by suppliers of goods/services and then passed on to the government compared to direct taxes.
 - vi. Indirect taxes encourage hard work and initiative since they are not directly linked to earnings like direct taxes which discourage production and act as a disincentive to hard work.
 - vii. Less resorted ^{resented} as there are built in prices of commodities and people do not ^{know} that they are paying them.
 - viii. Can be used to check the production and consumption of harmful goods like cigarettes alcohol etc.

Any 5 x 2 = (10 marks)

3. (b) Impact of taxes on entrepreneurial activities may include:

Positive impact

- Source of government revenue for financing the provision of social services eg roads, power dams, water treatment plants.
- Used to protect infant industries so that they can be able to compete with well-established industries
- Used to control monopoly power, hence ushering in competition.
- Controls monopoly power
- Helps to create employment opportunities
- Discourages consumption/production of harmful or undesirable products
- Controls inflation
- Discourages dumping
- Reduces dependence on foreign aid.
- Promotes handwork
- Improves the country's balance of payment position
- Reduces income inequality/helps in income redistribution.

Any 6x1 = 06 marks

Negative impact

- Discourages investment
- Discourages savings
- Discourages hard work
- Causes diversion of resources
- Encourages trade malpractices like smuggling.

Any 4x1 = 04 marks

4. (a) Political factors that impact on entrepreneurial intentions

- Political climate
- Government policy of taxation and subsidization
- Government expenditure
- Government institutions and departments
- Political and religious refugees
- Legal environment
- Existence of pressure groups influencing government

Any 6x2 = 12 marks)

(b) How the political environment can be improved?

- Improving the political climate by ensuring political stability.
- ~~Hobbling~~ ^{Lobbying} for government subsidies/provision of subsidies to domestic firms and lowering taxes
- Lobbying for government funding in key and sensitive sectors like health and education.
- Putting in place clear policies for resettlement of political and religious refugees
- Improving the legal environment by setting clear laws which protect entrepreneurial projects
- Strengthening the pressure groups which ^{lobby} ~~hobby~~ for government support like Uganda National Chamber of Commerce and industry.

Any 4 x 2 = 08 marks

5. (a) Importance of an executive summary of the business are:

- Gives an overview of everything that has been written.
- It creates memorable first impression to the readers of the business plan by using impression language.
- It leaves the reader intrigued i.e asking for more by summarizing key issues in the business plan.
- Differentiates the business ^{from} ~~form~~ the rest which makes it unique/stand out.
- Helps to define the goods and services the business offers or plans to offer.
- Highlights the objectives of the business plan
- Highlights marketing strategies that the business wants to use to promote sales to show readers that the business is profitable.
- Reveals the funding requirements of the business by showing the main sources of funds so as to attract possible financiers.
- Shows key members of the business like the directors, shareholders so that the readers of the plan can expect better management of the firm.
- Concisely summarizes the technical, financial and managerial details.
- Convinces the reader that the venture is worth considering an investment.

Any 8x1 = 08 marks.

(b) Tools used in monitoring a business

- Sales targets
- Production targets
- Cash flow statement

- Balance sheet
- Stock records
- Departmental reports
- Bank statement
- Work schedule form
- Work order form
- Operational budget
- Bank reconciliation statement
- Source of funds
- Books of accounts.

Any 6x2 = 12 marks

NB stating 01 mark

Explanation 01 mark

6 (a) Rationale for recruiting personal in an organization

- To increase production of goods and services
- To manage business operations
- To combine with other factors of production like land and raw materials to aid production.
- To facilitate exploitation of idle resources like raw materials.
- To minimize damage to machines and equipment
- To increase on the business *Sales*
- To motivate workers through promotions to higher positions
- To overcome competition by recruiting technically competent or qualified workers
- To get the required workers with the required skills to do the job.
- To meet expansion needs of the business by training workers and promoting them.
- To replace the dead, inefficient or retired *workso*
- To promote efficiency and effectiveness in an enterprise.

Any 6x2 = (12 marks)

(b) Strategies for retaining an enterprises human resources are:

- Assuring employees of job security
- Creating pleasant and favourable working conditions.
- Giving timely and fair pay
- Using open/proper communication
- Appraising and recognizing the contributions of the workers.
- Extending training opportunities

- Giving fringe benefits
- Showing genuine respect to employees
- Sharing concern or empathy towards employees' problems.
- Involving workers in profit sharing schemes
- Handling employees' grievances fairly and tactfully.
- Assuring employees of promotional prospects
- Promising good retirement benefits.

Any 8x1 = 08 marks

7. (a) Factors that lead to production of poor quality goods may include:

- Low levels of cleanliness of the workplace.
- Inappropriate packaging materials used
- Failure to observe technical specifications regarding quality
- Low quality raw materials used
- Unfavourable working conditions
- Inadequate market research carried out
- Limited monitoring and supervision of workers during production process.
- Inappropriate/inadequate storage facilities
- Low level of technology/inappropriate technology used.
- Limited skilled labour.
- Low levels of innovation and creativity
- Use of inappropriate distribution channels
- Unclear instructions given to workers
- Limited /No specialization of division of labour.

Any 6x2 = 12 marks

(b) Ways of increasing profits by entrepreneurs ^{may} include:

- Paying labour a low wage
- Making labour work for long hours
- Reducing fringe benefits/allowances for labour
- Employing few but committed workers
- Buying good quality raw material from the cheapest/ friendly sources
- Avoiding unnecessary costs.
- Charging high prices
- Minimizing credit sales/selling on cash basis.
- Promoting creativity and innovations
- Improving the quality of products
- Undertaking product diversification/ variety of products.

Any 8x1 = 08 Marks