**ENTREPRENEURSHIP EDUCATION P230**

**SOLUTIONS TO SEMINAR QUESTIONS 2022**

**PART 1: SECTION A P230/1**

1. (a) (i) **Forms of innovation**

* Business model innovation
* Marketing innovation
* Organizational innovation
* Process innovation
* Product innovation
* Financial innovation
* Supply chain innovation
* Service innovation- creation of low cost/affordable goods by a developing country cheaply using the local available resources

(ii**) Sources of innovation**

* Unexpected occurrences
* Process needs
* Incongruities
* Industry and market changes
* Demographic changes
* Changes in perception, mood and meaning
* New knowledge

(iii) **Traits of innovators**

* Compelling vision
* Opportunity oriented
* Self-disciplined
* Inner directed
* Extra-ordinary persistent
* Passionate about belief
* Trend spotters
* Associate with positive people

(b) (i) **Determinants of entrepreneurial culture**

* Availability of role models
* Level of development of infrastructure
* Level of education and training
* Government policy on entrepreneurship
* Political climate
* Level of creativity and innovativeness
* Culture of the society

(ii) **Ways of promoting entrepreneurial culture**

* Networking with successful entrepreneurs to acquire their tips for prosperity in business
* Encouraging people to start business tasks early while still youths
* Promoting political stability to create a conducive environment for business
* Building capacity for living with uncertainty and ambiguity
* Embracing opportunities to practice entrepreneurial competencies
* Linking with wide networks of independent family by re-enforcing familiarity and providing opportunities
* Acquiring formal/informal managerial knowledge in business
* Tapping support from financial technical and professional institutions that facilitate growth of an entrepreneurial spirit
* Improving workers’ productivity and efficiency
* Increasing customer satisfaction and maintaining both old and new customers
* Reducing labour turnover in business by improving employee motivation
* Improving creativity and innovativeness of employees through using their thoughts to provide solutions to business problems

(c) **Examples of knowledge**

* Knowledge on business opportunities
* Knowledge on customers
* Knowledge on production processes
* Knowledge on business management
* Knowledge about product market
* Knowledge on competition
* Knowledge on technical matters
* Knowledge about sources of assistance

(d) **Factors considered when assessing the possibility of occurrence of risks**

* Profitability of the business
* Flexibility of the business
* Availability of market for business products
* Pricing policies and strategies of the business
* Honesty and reliability of the parties involved
* Viability of the business idea
* Experience and abilities of the owner and workers
* Cash flow and capital requirements in business

(e) **Rewards obtained by a business form having an inspirational description of what would be accomplished in medium or long term include**;

* Helps the entrepreneur to work towards achieving the set targets
* Guides the business on making proper decisions on improving business
* Facilitates maximum utilization of resources
* It helps an entrepreneur to motivate business activities to achieve the set targets
* Helps an entrepreneur to evaluate his/her performance

(f) **Elements of quality**

* Performance
* Conformity
* Reliability of the product
* Durability of the product
* Service and market
* Perceived quality/suitability of the product from the customers’ point of view
* Safety/protection of customer interest
* Easy handling
* Customer satisfaction
* Design of the product
* Environmental friendliness

(g) (i) **Types of Inventory**

* Raw materials
* Work in progress/semi-finished goods
* Finished goods ready for sale
* Office supplies
* Assets under repair
* Components

(ii) **Costs of maintaining high inventory levels**

* Storage costs/carrying costs are incurred
* Expiry of stock
* Unnecessary tying up of the firm’s funds in inventory
* Loss of profits
* Opportunity cost of tied up funds
* Fall in demand of the stored goods due to change in fashion or model

(h) (i) Marketing mix refers to all elements involved in marketing activities

**While**

Marketing strategy refers to the methods of identifying target customers which a small business can serve well than its large competitors.

(ii) **Tools adopted for effective marketing strategy**

* Networking
* Referrals
* Cold calling
* Giving free information to interested prospects
* Advertising
* Decision making
* Writings/newsletters
* Negotiations
* Displays

1. **Aspects considered when making a decision on the medium of advertising**

* Cost of the medium
* Nature of target customers
* Age group of the customers
* Speed and urgency of information
* The geographical area to be covered by the medium
* Medium used by competitors
* Availability of the medium
* Channel of a distribution used
* Impact created by the medium

(j) (i) **Causes of non-compliance to taxes**

* High tax rates
* Inequitable tax system
* Complicated tax laws
* Limited information about importance of taxes
* Under developed infrastructure
* Poor business management through record keeping
* Political instabilities
* Inconsistent tax laws and unfair implementation
* Low levels of income among tax payers
* High rate of inflation
* Long procedures of paying taxes
* Poor tax administration and assessment
* Unpopularity of the government and poor governance
* Un proportional distribution of the tax burden among the tax payers

(ii) **Strategies that can be adopted to promote tax compliance**

* Making the tax system more equitable
* Improving the quality of business management
* Popularizing the government and improving governance
* Simplifying the tax laws
* Ensuring consistency in the way the taxes are implemented
* Carrying out tax education and stakeholder engagements
* Strengthening tax administration
* Carrying out regular audits
* Providing incentives on importation of raw materials
* Enforcing measures on non-compliance e.g. heavy penalties and fines, publishing a shame list of non-compliant tax payers, prosecution of tax offenders
* Encouraging self-tax assessment
* Licensing of clearing and tax agents
* Rewarding and recognizing compliant tax payers
* Arrangement of installment scheme
* Introduction of whistle blowers policy
* Automation of tax collection and assessment processes to ease tax payment
* Promoting political stability to create a conducive environment for economic activities

(iii) **Elements of tax compliance**

* Registration
* Filing tax returns
* Declaration
* Payment
* Record keeping

**PART II: SECTION B P230/1**

**2.(a) Factors considered when choosing a career**

* Demand for its services
* Job satisfaction
* Financial ability of the family
* Family performance or bias
* Personal interest
* Job security
* Talent possessed by an individual
* Government policy influence/pressure
* Role models in society/family
* Teacher influence/career guidance by teachers

1. **Advantages of self-employment over paid employment**

**Use unlike/than/compared to**…

* There is unlimited income in self-employment unlike paid employment where the income is fixed
* In self-employment one is a boss of him/herself unlike in paid employment where is following of strict orders
* In self-employment the work situation is under the control of the owner unlike in paid employment where the work is controlled by the employer
* There is room for creativity and personal initiative in self-employment unlike in paid employment where there is limited room for creativity and personal initiative in self-employment unlike in paid employment where there is limited room for creativity and personal initiative
* In self-employment there is high job security unlike paid employment where there is little commitment to work
* In self-employment self-esteem and confidence are built unlike paid employment where there is low esteem and confidence

1. (a) **Contribution of entrepreneurship to Uganda’s economic development**

* promotion of small enterprises in society which form an essential part of economic prosperity
* generation of employment opportunities in the country through production of goods and provision of services
* promotion of creativity and innovation within small enterprises
* encouraging use of locally available resources and skills found within the members of the community
* correction of regional imbalances in such backward regions
* Introduction of new technologies through entrepreneurial activities
* Contribution to GDP of the economy thus fostering economic growth
* Reduction of regional imbalances through developing businesses in remote areas of the economy
* Generation of government revenue through payment of taxes
* Improving the welfare of the society by providing variety of goods and services
* Improvement in the quality of goods and services produced due to competition among businesses
* Creation of forward linkages through establishment of new business as a result of others being started
* Production of massive output through use of advanced technology and entry of many firms in production
* Promotion of development of infrastructures like roads, water, telecommunication services e.t.c which facilitates expansion of economic activities
* Promotion of development of entrepreneurship skills
* Provision of market for locally produced and imported products due to increased need for raw materials to be transformed into finished goods
* Promotion of industrialization through establishment of different businesses
* Acting as research centres on various businesses.

1. (a) **Distinguishing features between entrepreneur and intrapreneur**

* Entrepreneur organizes, operates and assumes the risks of a business venture while intrapreneur focuses on innovation and creativity and transforms an idea into a profitable venture by operating within the organizational environment.
* Entrepreneur is the owner of the business while intrapreneur is hired to manage someone’s business.
* Entrepreneur owns a newly established enterprise while intrapreneur works in an existing business
* Entrepreneur is independent in his/her operations while the intrapreneur is dependent on the owner of the business.
* Entrepreneur raises the required capital for the business while the intrapreneur uses the owner’s capital
* Entrepreneur bears all risks faced by the business yet an intrapreneur does not fully bear risks faced by the business.
* Entrepreneur makes own decisions as the business owner while an intrapreneur implements decisions in consultation with the owner.
* Entrepreneur uses his/her resources as the business owner while an intrapreneur uses resources provided by the business.
* Entrepreneur earns unlimited/uncertain profits while the intrapreneur earns salary.
* Entrepreneur does not need experience to start a new business whereas the intrapreneur sets up his/her own business after gaining experience and working in other businesses.

(b) **Attributes of successful entrepreneurs**

* Hardworking
* Self-confidence
* Builds on the future
* Profit oriented
* Persistence
* Copes with failure
* Responds to feed back
* Willing to listen
* Sets own standards
* Copes with uncertainty
* Builds on strengths
* Reliability and integrity
* Risk taker
* Demonstrates initiative
* Committed

**5.(a) Impact of change in an enterprise positive impact**

* It leads to adoption of new technology which increases productivity and service delivery
* Responds to customers’ needs
* It leads to acquisition of new ideas and innovations
* It determines the direction of the economy
* It challenges the status quo
* It leads to reduction in labour costs due to use of modern technology
* Facilitates exploitation of idea resources within enterprises

**Negative impact of change**

* It leads to increased complexity of methods of production
* It results into job changes and redundancy of many workers especially those who cannot cope with new changes
* It results into geographical relocation of industries and workers
* It leads to extensive reliance on computers information technology and decision support systems which reduces the number of workers
* It forces employees to acquire new skills or modify tye existing competencies
* It is expensive/costly to implement due to training of employees
* Leads to bad image due to down sizing
* Reduces creativity and innovativeness due to over dependence on computers

**b) Strategies of copying with change**

* Rewarding success
* Giving explanation
* Training
* Encouraging feedback on progress
* Managing resistance
* Assessing readiness
* Ensuring proper planning
* Sourcing early for the required funds
* Adopting appropriate technology
* Setting a side adequate time for adopting changes that are vital
* Ensuring effective delegation of duties to the right workers to enable them become part of the change
* Monitoring and measuring the impact of change as its being implemented to identify obstacles and provide solutions in time.

**c) Factors that cause change in an enterprise**

* Change in efficiency
* Environment change
* Social changes
* Change in competition
* Change in technology
* Change of desire
* Change in employee attitude
* Change in management
* Change in government laws and regulations
* Change in market conditions

**6.(a) Merits of creativity**

* It creates awareness by paying attention to insights and sounds that are ordinary ignored
* Leads to development of new and original ideas and using the existing ideas as an initial point
* It is used to upgrade products and services
* It enables an entrepreneur to make proper use of limited resources
* It is used to promote products and services of a business
* It solves everyday problems in businesses

**b) Techniques of developing creative ability**

* Thinking beyond the invisible work that surrounds problems/situations
* Recognizing when assumptions developing / adapting ideas from more than one source
* Transferring technology from one field to another
* Being prepared and open to use chance or unpredictable events to advantage
* Drawing on the experience of other individual / businesses to widen the field of vision
* Practicing fortune
* Exploring through processes and key elements of the mind un solicited so that they are not forgotten
* Using analogy i.e improve imaginative thinking to find models or solutions
* Making conditions with points that are apparently irrelevant outside own sphere of expertise
* Suspending process and avoid pre-mature criticism
* Knowing when to leave a problem
* Tolerating ambiguity and occasionally live with doubt and uncertainty
* Stimulating own curiosity in everything and skills of observation, listening, reading and recording

**7.(a) Reasons why small businesses become more successful to foster innovation than larger businesses**

* Personal connection with customers
* Personally invested and passionate
* Alertness and adaption
* Experimentation/ improvisation
* Resource limitations
* Information sharing and collaborations

1. **Ways of fostering innovation in a small enterprise**

* Expecting change
* Implementing new rules
* Doing well, for instance through improved service delivery
* Measuring performance indicators
* Thinking global
* Thinking like an entrepreneur by making things happen and accepting failure
* Being fast during implementation of strategies
* Avoiding barriers
* Developing innovative strategies
* Being a learner always

8. (a) **Determinants of entrepreneurial motivation**

* Nature of economic environment
* Level of education
* Level of development of infrastructure
* Culture of the society
* Nature of the political climate
* Psychological factors
* Nature of local manpower
* Accessibility to information
* Availability of labour
* Availability of market
* Government policy on business/entrepreneurship

1. **Behavioural characteristics associated with a strong need for achievement**

* Formulation of concrete goals
* Formulation of goals, which stretch one’s abilities and efforts
* Analyzing the environment to create opportunities for achievement rather than passively waiting for chances to come their way
* Experiment with novel activities to reach the set goals
* Anticipate possibilities of success and failure and do something about the obstacles which can cause failure
* Seeking help from experts rather than from friends to overcome both external blocks and personal limitations
* Deriving maximum satisfaction from the achievement itself and less from other factors like money and recognition
* Experiencing positive feelings of joy and satisfaction in achieving moderately challenging goals and disappointment but not self-condemnation in failure learning from feedback.

1. **Factors that help an entrepreneur to develop a positive mental attitude**

* Having self-belief
* Being result oriented
* Networking with successful entrepreneurs
* Identify successful entrepreneurs to be used as role models and mentors
* Having work objective that are achievable and have an impact
* Taking each experience as an opportunity
* Involving in positive activities
* Taking advantage of opportunity to improve satiations
* Avoiding negative thoughts and ideas
* Having faith oneself

9. (a) **Principles of negotiation**

* You do not have to be the right to settle
* Look to the future
* Focus on the goal
* Set the tone and look the part
* Be prepared and do your research
* Know what you want and what the other side wants
* Listen
* Generate options
* Always have a plan B

(b**) Challenges faced during negotiations**

* Time pressure
* Influence of another decision maker
* Delay tactics
* Last minute wavering
* An early concession
* Aggressive behavior
* Neglecting the other side’s problem
* Letting positions override interests
* Price only negotiation
* Linking logic
* Inadequate negotiation skills
* External interferences

(c) **Ways of overcoming the challenges**

* Taking ample time to understand and analyse the subject of negotiation carefully to reach a better conclusion and avoid time pressures
* Negotiating with a person who has authority over the issue to make informed decisions.
* Agreeing on the time frame for the negotiation and sticking to it
* Stating the objectives of the negotiation clearly to avoid last minute wavering by the other party
* Adopting a win-win approach of negotiation so that the results are satisfactory to either parties to avoid early concessions by one party
* Keeping emotions in control during the negotiation process to minimize aggressive behavior by either party to the negotiation
* Asking probing questions to the other party to negotiation to find out whether the assumption is true or false to avoid linking logic
* Creating a good relationship with the other party to a negotiation right from the start and identify all the issues agreed upon to avoid price only negotiation.
* Focusing on the interests of both parties and not positions to find a solution that is fit for both parties
* Being sensitive to each other party’s requirements/concerns during negotiation to avoud neglecting their problems.
* Carrying out research and being prepared before negotiation to discuss from an informed position to avoid being unprepared

11.(a) **Principles of effective communication**

* Correctness
* Clarity
* Completeness
* Consideration
* Courtesy
* Concreteness
* Consciousness
* Timing
* Environment
* Media

(b) **Techniques adopted to improve listening skills**

* Sending signals to people through eyes and body gesture so that they know you are listening
* Relaxing when making communications
* Slowing the mind when listening
* Improving on one’s concentration
* Facing the speaker squarely and learning slightly so as to be attentive
* Avoiding forming reply before properly hearing the message i.e wait for the speakers to complete
* Avoiding being defensive about one’s point of view
* Keeping the voice soft rather than peaked and aggressive
* Observing the speakers’ body language so as to properly understand the message being communicated
* maintaining an eye contact
* avoiding looking at distracting things while on phone
* using an appropriate body posture
* positioning yourself well to create comfort but not so relaxed to lose listening ability
* using verbal or non-verbal acknowledgements of the speaker to be involved in the communication process
* using non-verbal attending behaviors
* avoiding wandering and distracting behavior by closing the mind

(c) **Forms of communication**

* Oral communication
* Written communication
* Visual communication
* Non-verbal communication
* Audio communication
* Audio-visual communication

(d) **Reasons why written correspondence is preferred to oral messages**

* Written correspondence provides a permanent record for reference unlike oral correspondence which leaves no permanent record for future reference
* Written correspondence reduces the chance for distortion of the message unlike oral correspondence that has higher chances of message distortion
* Written communication acts as a legal document unlike oral correspondence which has no legal validity since it has no evidence
* Written communication improves the personal image of the writer unlike oral correspondence which at times results into misunderstandings.
* Written correspondence is suitable for lengthy messages compared to oral correspondence which only favours brief messages
* Secrecy is easily maintained with written correspondence than oral correspondence which lacks secrecy as the messages can easily leak
* Written communication facilitates fast and easy circulation of information unlike oral communication which is at times slow for example during meetings
* Under written communication, the sender is in a better mood to communicate unlike oral correspondence where at times emotions interfere with the communication

**12.(a) Principles followed when developing an effective and lucrative personal brand**

* Specialization
* Leadership
* Personality
* Distinctiveness
* Visibility
* Unity
* persistence
* Good will

**b) Benefits of personal branding to an entrepreneur**

* It makes entrepreneur to complete with already established brands in the market
* Increases the entrepreneur’s confidence by understanding himself better
* Saves the entrepreneurs time and energy by selecting goals aligned with his unique value
* Provides a road to success
* Helps the entrepreneurs in achieving more sales room customers in less time
* It helps the entrepreneur to raise brand visibility
* Builds the reputation of the business amongst customers
* It positions the entrepreneurs focused message in the minds of his target customers
* Creates a sense of individuality and uniqueness in the minds of the customers and thus enable distinguishing of his products from those of competitors
* It attracts the right people and opportunities to the business

**TOPIC 2: ENTREPRENEURIAL ENVIRONMENT**

**13.(a) Social responsibilities of a business to the community**

* creation of jobs since as new products/services are introduced, more staff will be required
* sponsoring community games, health and schools and contributing to other community development programmes
* protecting the environment by planting trees
* participation in massive cleaning of the different areas of society
* acting as a centre for training of local manpower
* paying taxes to the government
* providing market to society’s outputs like agricultural products
* utilizing the would be idle resources
* providing goods and services
* improving infrastructure e.g roads
* helping students and researchers in carrying out business activities
* Increasing opportunities for the disadvantaged
* Providing education/training facilities like helping students and researcher in carrying out activities
* Reducing the harmful effects of business activities on the natural environment like by recycling products, purifying wastes before disposal e.t.c
* Improving the quality of life by supporting the disadvantaged groups like the elderly, widows, sick, youths e.t.c
* Ensuring sustainability of the good business practices in the society for example fair pricing, supplying quality goods and customer care
* Facilitating positive thinking and development of positive attitudes about business in the society by enhancing creativity and innovation
* Promoting unity and harmony in the community through adopting good business ethics to all parties

1. **Aspects that characterize entrepreneurial environment**

* flexibility
* opportunity orientation
* uncertainty
* Resource scarcity

14. (a) **Social and cultural factors that influence entrepreneurial development**

* Culture as regards entrepreneurship
* Religion
* Availability of role models
* Social financial support
* Social identification
* Level of education

(b) **Ways of improving social cultural environment**

* providing social financial support to entrepreneurs
* carrying out career counseling and making use of available role models
* encouraging social identification among upcoming entrepreneurs
* desisting negative cultural beliefs towards business
* incorporating entrepreneurship in religious teaching

**15.(a) Political factors limiting entrepreneurship**

* political insecurity
* unfair government policies on taxation and limited incentives
* low government expenditure on education and health
* weak government departments and institutions
* negative displacement of political and religious refugees
* weak and inefficient laws

(b**) Strategies for improving entrepreneurial environment**

* Developing a positive saving culture
* requesting for economic incentives from the government like tax holidays
* ensuring stability in the value of money to enable business to survive
* fulfilling all legal requirements for business like registration paying taxes e.t.c
* identifying desired role models and recognizing their value
* lobbying for financial assistance/loans for business investment
* improving infrastructure like roads, electricity
* ensuring optimum use of available resources
* avoiding expensive cultural practices and beliefs like marriage
* Conducting continuous advertising and sales promotion to win competition and manage economic environment
* Adapting use of appropriate technology depending on changes in technologies to cope with the technological environment
* Expanding social networks by building good relationships and connections with various useful people in and out of one’s industry
* Promoting creativity, innovation and excellent customer services so as to stay ahead of rivals.
* Segmenting the market basing on demographic factors like age, gender, occupation, population density and making right decisions to fit a specific customer group
* Conducting continuous research on population changes and taking right decisions to match the changes
* Involving in social responsibility activities so as to build good relations with the society
* Maintaining political stability so as to improve the political environment
* Encouraging the involvement of family members in business activities
* Forecasting and planning properly to appropriately manage the unstable environment and respond rapidly to cope with it
* Minimizing the negative impact of business on the environment so as to be socially responsible

16. (a) **Determinants of globalization**

* global finance
* global trade
* government global policy
* democracy
* market openness
* export policy
* import policy

(b) **Positive impact of globalization**

* Encourages exploitation of idle resources like land and minerals by businesses in Uganda which increase production of output for both local and foreign markets
* Enables businesses in Uganda to access foreign capital through borrowing from foreign companies and multi-national corporations which expand their operations
* Enables entrepreneurs in Uganda to easily access a variety of foreign cultures through foreign workers, suppliers and others including food which improves the health and social lives of people
* Leads to easy flow of knowledge, skills, ideas and information useful to businesses in Uganda like having access to internet which improves business operations
* Enables businesses in Uganda to benefit from favourable laws and regulations in other countries like those that charge low interest rates, those that impose low taxes e.t.c.
* Promotes investments in Uganda since globalization attracts more foreign businesses and multi-national corporations and other businesses that invest in both import and export sectors
* Promotes easy movement of labour force hence enabling businesses to easily obtain skilled foreign workers at low costs
* Leads to technology transfer/access to better technologies by businesses resulting in production of better quality goods to consumers
* Lowers the costs of goods and services since it enables businesses and other customers to buy products at affordable prices
* Reduces the effects of domestic monopolies in Uganda since globalization allows foreign businesses in Uganda which leads to efficiency in businesses operations
* It encourages specialization in the businesses in Uganda as they concentrate on production of high quality goods and services for specific foreign markets.
* Promotes creativity and innovations in the businesses as globalization motivates them to improve the quality and increase product varieties that enable them remains competitive on the market
* Leads to enjoyment of economies of scale due to massive production by the businesses which results in more sales revenue
* Improves the quality of governance in Uganda and better labour protection through competitive pressures of globalization which creates a favourable business environment
* Leads to increased communication and improved transport at lower costs for businesses in Uganda due to faster flow of information globally and easy movement across countries
* Leads to creation of more employment opportunities in Uganda as globalization enables business to expand and employ more workers like in the export sector.
* Leads to greater access to larger market for the goods and services produced by the businesses in Uganda as globalization opens up international access to foreign market for exports.

**Disadvantages/Negative impacts of globalization on businesses (costs of globalization)**

* Leads to pollution through increased emission of greenhouse gasses which cause global warming
* Encourages illegal trade practices like smuggling of low quality goods into Uganda by unethical entrepreneurs which lowers the quality of life the people
* Increase the level of unemployment in Uganda due to entry of foreign businesses which lead to collapse of domestic/ infant businesses
* Leads to brain drain in businesses in Uganda as globalization makes skilled labour shift to better paying businesses abroad
* Leads to rapid exhaustion of non-renewable resources like trees by businesses in an attempt to meet the demands of the local and foreign customers
* Encourages disease transfer from outside Uganda to the local entrepreneurs, communities and workers which leads to poor health and reduced efficiency in operations
* Leads to loss of cultural diversity in Uganda where entrepreneurs and their workers abandon some good cultures in favour of foreign cultures
* Leads to reduction in the prices of products in Uganda due to excessive competition brought about by imported goods and foreign cultures
* Leads to tax evasion and tax avoidance like due to transfer of some businesses from Uganda to foreign countries with lower taxes
* Leads to theft of intellectual properties like innovations and designs from Uganda once similar businesses are opened outside the country without permission of the owners in Uganda
* It increases capital outflows from Uganda in form of incomes repatriated by foreign businesses to other countries which reduces savings and investments in the country
* Promotes social injustices in Uganda as many foreign businesses in the country tend to exploit the local people by giving them a low pay compared to their contributions in the businesses
* Leads to the interference into the politics of Uganda by some big foreign businesses that try to use their powers to influence political decisions and this affects businesses
* Leads to inequalities across and within nations due to volatility in financial markets

**TOPIC 4: BUSINESS IDEAS**

17. (a) **Ways in which entrepreneurs come up with exciting business ideas**

* Reading newspapers
* Reading magazine articles
* Using their hobbies or personal interests
* Visiting trade shows and exhibitions
* Making market surveys
* Using vocational training and experience
* Brainstorming
* Using SWOT analysis
* Franchising
* Surfing on internet
* Networking with successful entrepreneurs
* Studying people’s needs
* Responding to customer’s complaints
* Using talents/abilities
* Studying market gaps
* Watching television programmes
* Listening to radio programmes

(b) Purpose of 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 to build brand loyalty in the customers.

18. (a) (i) **Steps involved in surveying a business idea**

* the idea stage
* analysis of the idea
* checking out the competition
* turning the idea to make it work in case it looks like a flop
* preparing a marketing plan and budget showing the distribution strategy in case the idea is ready to go

**ii) Procedure of turning a business idea into a product**

* documenting the invention
* researching about the idea
* making a prototype
* filing a patent
* marketing the invention

(b) **Criteria considered when evaluating business ideas**

* Present market
* Market growth
* Costs
* Business risks
* Personal considerations
* Business considerations
* Availability of capital
* Availability of business inputs/raw materials
* Business location
* Availability of infrastructure
* Government policy on business
* Availability of business support services
* Level of competition
* Acceptability of the business idea by the community

**19.(a) Factors considered when assessing business risks**

* market stability in economic cycles
* technological risks
* import competition
* size and power of competitors
* quality and reliability risks
* predictability of demand
* initial investment costs
* time required to generate profits
* inventory requirements
* seasonal demand

**(b) Factors that affect business sales**

* market size
* products relation to need
* strength and dominance of competition
* sales effort required
* quality of the product
* price charged compared to competitive products
* sales requirements
* availability of sales and distribution system
* export possibilities
* Level of advertising

20. (a) (i) prototype is a model of the invention which puts into practice all things one has written in the inventors’ journal

While

Patent is a grant from the government to the inventor of the product giving him exclusive right to make use or sell the invention for a given period of time

(ii) Copyright is an exclusive right that protects the original works of authorship such as literacy, dramatic, musical and artistic works

While

Trade secrets refer to information that is kept confidential by the business owner to enable the business have a competitive advantage over others

**20 (b) Rules for prototyping.**

* Begin with a drawing of an idea on papers to give a rough picture on how the product will appear.
* Create a concept mockup out of any material or computer aided design of the proposed product.
* Creating a full working model of the idea or make a handmade version or sample of the product design that can first be made at home or within a small space.

**TOPIC 5: BUSINESS OPPORTUNITIES**

**21.(a) Steps followed to determine the profitability of business**

* deciding on the type of business to establish
* choosing location
* forecasting your sales
* estimating your costs
* estimating your profits

**b) Factors determining level of profit of a potential business**

* volume of sales
* quality of products produced
* cost of production
* cost of raw materials
* labour costs
* technological levels
* terms of sale in cash or credit

22. (a**) Types of business opportunities**

* Merchandising or trading businesses
* Franchise type of business
* Independent business
* Service type of business
* Store front/Non-store front type of business
* Industry type of business
* Manufacturing or processing businesses
* Agri-businesses/Agro-businesses

**b) i) components of a market feasibility study**

* type of industry being planned
* possible target market for the products
* expected market growth in future
* competing firms in the industry
* prices charged by competitors
* competitors reaction to entry of new firms
* how to differentiate products from those of competitors

**ii) Components of technical viability study**

* possible location of the facility
* size of the facility needed
* the cost of building
* infrastructure like major highways, utilities e.t.c
* transportation of goods between the facility and the market and costs involved
* raw materials needed
* labour requirements
* technology needed
* potential suppliers of the equipment

23. (a**) Benefits of carrying out financial feasibility/viability study**

* It helps the entrepreneur to project costs involved in the business
* It enabled the entrepreneur to identify other opportunities the business can set up
* It enables the entrepreneur to identify the means of finance the business can use
* It reveals the level of capacity utilization
* It enables the entrepreneur to estimate the income, the business can make
* It determines inventory levels of the business
* Services as a solid foundation for developing a business plan i.e financial plan
* Facilitates acquisition of loans
* It projects the profits the business can make
* It enables the entrepreneur to clearly carry out risk analysis
* It enables an entrepreneur to lay strategies for controlling and overcoming occurrence of risks (risk mitigation)
* It enables an entrepreneur to estimate the expenditure of the business

(b) **Challenges faced when conducting financial feasibility study**

* Limited funds
* Inadequate/shortage of skills to handle data collection
* Un co-operative respondentS
* Inadequate communication facilities
* Language differences
* Changes in demographic factors like age
* Resistance from some respondents e.g. competitors
* Changes in market trends
* Low education levels of the respondents
* Choice of a wrong sample target group
* Obtaining of false information
* Underdeveloped infrastructure
* Variations in consumer’s tastes and needs
* Price fluctuations and inflation which leads to variations in prices

24. (a) **Structure of a feasibility study report**

* Introduction-shows background information, name and address, purpose
* Business description/executive summary
* Market feasibility study report
* Technical feasibility study report
* Financial feasibility study report
* Organizational/managerial study report
* Political feasibility study report
* Legal/ethical feasibility study report
* Environmental feasibility study report
* Schedule feasibility study report
* Economic feasibility study/cost benefit analysis report
* Resource feasibility study report
* Cultural feasibility study report
* Operational feasibility study report

(b) **Characteristics of good business opportunities**

* Real demand
* High level of return on investment
* Competitive
* Meets objectives
* Availability of resources and skills
* Good income potential
* Reasonable ease of entry into the market
* Low or modest startup costs
* Good growth potential
* Properly timed
* Related to one’s skills and experience
* Ability to use the available resources e.g. labour
* Ability to encourage creativity and innovation

(c**) Steps involved in the process of starting a business**

* Identifying potential business opportunities
* Selecting a suitable business opportunity
* Carrying out market survey for the selected business opportunity
* Preparing a business plan that will guide business operations
* Mobilizing the necessary resources
* Completing all the pre-commencement legal formalities
* Acquiring land and buildings necessary for the selected business
* Preparing a marketing plan to show how the products will be marketed
* Launching the business enterprises

**TOPIC 6: SMALL AND MEDIUM ENTERPRISES**

25. (a) **Causes of failure of most smes’**

* Unsuitable location of the business
* Limited market for business products
* Improper handling of the customers
* Limited market research
* Inadequate financing
* Choosing a business that is not very profitable
* Low quality of products offered for sale
* Limited credit services
* Inadequate support services like roads and water
* Use of inappropriate technology
* Competition from imported manufactured products
* Improper product pricing
* Industrial unrest
* Political insecurity
* Founders inability
* Unreliable sources of raw materials
* Language differences
* Challenges of record management
* Over expansion of the business
* Inadequate credit services to enable them finance business operation

(b) **Measures that can be taken to ensure success of SME**

* By undertaking research and development to come up with new products
* By complying with laws and regulations
* Through lobbying the government either individually or through their business associations
* By keeping and using up to date information and data on suppliers, consumer tastes and their buying habits
* By conducting thorough market survey before starting their business
* By saving and re-investing their profits back to the business
* Through regular training of staff to ensure that they are skilled enough to manage daily operations
* Through regular training of staff to ensure that they are skilled enough to manage daily operations
* Through advertising and promoting their products to attract customers
* By monitoring and keeping a breast with what their competitors are doing
* By forming and being active members of the relevant business associations like UMA
* By ensuring good business management practices
* By establishing good relationship with their customers
* By undertaking research and developing to come up with new products
* Through strategic location of the business in order to access market and support services

**26.(a) Responsibilities of insurance companies to small and medium enterprise**

* ensuring continuity of the business by giving compensation
* Acting as a trustee for the business by looking after the property of the deceased
* Enabling business man to save money that can be used to cover unexpected emergencies
* Compensation in case of loss hence
* Encouraging investment confidence
* Promoting trade (international trade) by issuing policy covering goods in transit
* Educating the business community e.g. campaigns on safety and health care
* Provision of insurance policies which are used as collateral security to acquire loans
* Reduction of costs to businessmen e.g workman compensation, public liability policy
* Provision of loans individuals and business people
* Provision of employment opportunity to people like actually, underwriters, brokers

1. **Doctrines of insurance**

* utmost good faith (uberimae fidei)
* subrogation
* insurable interest
* insurable risks
* proximate cause
* indemnity
* contribution

**26(c) challenges facing the insurance industry in Uganda?**

* Ignorance of the public about benefits of insurance and information concerning insurance operations.
* Limited capital to handle/compensate highly valued assets and expansion.
* Most insurance companies are found in urban areas only.
* Insurance companies are charged high taxes by the government.
* Limited skilled labour to work in insurance companies e.g. underwriters, actuaries and brokers.
* Insecurity in some parts of the country
* Loss of trust among people in insurance business. Some insurance companies take long to compensate the insured which make people lose trust n them.
* There is excessive competition among the insurance companies such that some companies do not have clients and cannot make profits.
* Inflation which increases operational expenses of the company and lower profits.
* Many businesses in Uganda operate on small scale and hence there is no need for insurance for example hawkers.
* Limited market or low demand for insurance services due to low incomes of the population.
* Political instability in some parts of Uganda hinders operations of insurance companies.
* Limited skilled labour to work in insurance companies e.g. brokers, actuaries, assessors and underwriters.
* Corruption and embezzlement of funds by insurance staff.
* High taxes imposed by the government which increases the cost of operation and reduces their profits.
* Mismanagement of insurance companies due to low education experience of the people in insurance industry.

**27.(a) Insurance policies**

* personal insurance
* fire insurance
* theft and burglary
* loss of profits
* motor insurance
* money at premises or in transit
* employer’s liability or workmen’s compensation
* machinery break down and consequential loss
* marine insurance
* aviation insurance policy

**b) i) Steps followed when taking an insurance policy**

* Identifying the assets to be insured
* Inquiring about the best insurance company by acquiring quotations
* Deciding on which insurance company to get along with
* Analyzing the budget and deciding how much money to pay for insurance
* Filling a proposal form
* Calculating of premiums and signing proposal form
* Issuing a cover note
* Issuing of an insurance policy

**ii) Steps followed when claiming for compensation**

* Notifying the insurance company
* Filling the claim form
* Checking a survey report by the insurer and details of the claim form
* Compensating the insured

**c) Determinants of insurance premium**

* The nature of the property being insured
* The number of people exposed to the same risk
* The frequency of occurrence of the risk
* Operating expenses of the insurer
* Precautions taken to reduce the risk
* The time the asset has spent/age of the property or person
* The value of the property insured
* The type of policy
* Possibility of occurrence of the risk
* Length of the insurance cover
* Value of money at that time

28.(a) **Factors leading to a variation in business sizes**

* variation in capital employment
* variation in technology used to operate
* difference in sales made
* variation in number of workers employed
* difference in the size of premises occupied
* difference in profits earned
* difference in legal form of business
* difference in market served
* difference in productivity of businesses

28. (b) **Factors that necessitate good relationship between family and business**

* joint family funding
* inheritance of enterprise
* source of employment to family labour
* fear of hired management
* managerial decision making
* Early involvement of children in business
* Enforcement of effective communication in the family
* Ensuring complete commitment from family members
* Good family management
* Collective family participation in business activities
* High level of trust of each other

**29.(a) Challenges associated with family business are**

* difficulty in decision making
* difficulty in succession of enterprise
* international misuse of money
* limited managerial skills
* possible collapse of business upon death of organization owner
* limited training
* livelihood of managerial wrangler due to mixed interest
* challenge of role confusion
* laziness at work
* possibility of poor customer care
* challenge of emotions due to family
* problems
* absence of outside opinions and diversity on business management

**(b) Ways of overcoming challenges above are**

* Hiring a professional business manager from outside family circles
* Highlighting specific management roles and functions
* Advising and convincing family members to register the business
* Carrying out formal counseling and guidance to stubborn members
* Writing experts to guide in fields of management, laws, finance, technical area
* Type remuneration packages to the types of work done in a related manner
* Exchanging information with other firms
* Sensitizing each family members to have “love” for the business and therefore work very hard always to ensure business success
* Sponsoring family members for further training in business managerial skills
* Exercising sound customer care relations as a sign of corporate responsibilities beyond family circles

**(c) i) Features of micro businesses**

* Require small capital to start.
* Use simple technology.
* Have low sales.
* Employ about four people.
* Rely on services of the owner and few family members.
* In most case they don’t have fixed premises but operate in temporary structures.
* They don’t need to be registered to commence their operations. They only use operating licenses from local authorities.

**ii) Features of small business**

* Their periodic sales are higher than micro business.
* Use moderately improved technology.
* They may not require formal registration.
* Produce for domestic consumption and export.
* Rey on external labour in addition to family labour.

**TOPIC 7: GENDER AND ENTREPRENEURSHIP**

30. (a) **Constraints to gender partnership**

* Unjust rewarding of members for their services
* Excessive threats 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 the top management
* Absence of a two-way communication between members in a business among themselves and with the top management
* Lack of a feeling of identity/belonging to the business or partnership by a worker
* Biased/indiscriminative development among members/workers
* Failure of members/workers to communicate their feelings about various business aspects

(b) **Measures that can be adopted to promote gender equality**

* Promoting both male and female workers on merit
* Providing good/favourable working conditions to both male and female workers
* Encouraging fair treatment in decision making regardless of gender
* Ensuring fairness in allocation/delegation of jobs or duties and responsibilities to the workers regardless of gender
* Discouraging boys and girls from taking subjects and courses based on gender
* Mentoring girls to see science as careers in which they can succeed and encouraging family female students to apply for science based courses without gender bias
* Adjusting/changing the way science is taught to suit learning styles for both boys and girls
* Encouraging more women scientists to take up top leadership so that they promote gender equality
* Formulating favourable government policies towards gender like by increasing government policies of funding women businesses
* Encouraging the development of each member regardless of gender
* Employing both male and female employees
* Giving access to education of both male and female workers
* Respecting all individual members in society regardless of gender
* Allowing access to resources to both male and female workers
* Encouraging cultural socialization
* Giving equal payments to both male and female workers doing the same jobs.

31. (a) **Factors that affect women participation in entrepreneurial activities**

* Marriage age
* Level of discrimination on the labour market
* Accessibility to funds/level of income or capital
* Level of education and training
* Women attitude towards participation in business
* Availability of women role models
* Nature of the curriculum
* Parent’s perception towards girl-child education
* Political climate
* Government policy towards women participation in business
* Availability of childcare facilities
* Career guidance towards business
* Nature of business occupations
* Myths about girls and women
* Marital responsibilities
* Degree/level of sensitization

(b**) Measures that are being taken by the government of Uganda to promote women participation in business activities**

* Raising general awareness about gender issues
* Establishing a law against early marriage
* Recognizing and awarding women role models
* Promoting political stability
* Encouraging and promoting family planning
* Publication of literature about successful women entrepreneurs
* Providing soft loans to women groups and associations
* Availing equal job opportunities
* Provision of education to all i.e UPE, USE and UPOLET, promoting entrepreneurship education &vocational education
* Offering career guidance
* Improving infrastructure and support services
* Liberalization of the economy

**TOPIC 8: BUSINESS PLANNING**

32. (a) **Structure of a good executive summary**

* The background of the business
* Objectives of the business
* Products/services the business offers
* An overview of the market for products/services
* Competitive advantage of the business
* Projected growth
* Key members of the business
* Funding requirements of the business
* Vision of the business
* Mission statement
* Future plans
* Market analysis
* Charts or tables showing highlights of financial forecasts

(b) **Relevance of an executive summary to entrepreneurs**

* It helps to give an overview of everything that has been written
* It creates a memorable first impression to the readers by using persuasive language
* It leaves the reader intrigued i.e. asking for more by summarizing key issues in the business plan
* It differentiates the business from the rest which makes it unique and stand out
* It compels the reader that the new venture is worthy investment
* It concisely summarizes the technical, marketing, financial and managerial details
* It shows the key members of the business like the directors, shareholders e.t.c so that the readers of the plan expect better management of the firm
* Highlights the funding requirements of the business by showing the main sources of funding so as to attract potential financiers
* It highlights marketing strategies that the business wants to use to promote sales
* It shows the objectives of the business as they appear in the business plan
* It helps to define the goods and services the business offers or plans to offer

**33.(a) Elements of a business plan**

* The General Description of the Business.
* Statement Of Vision, Goals And Objectives
* Financial Plan
* Production Plan
* Marketing Plan
* Organization Plan
* Action Plan

**(b) The Rationale for preparing a business plan include: -**

* To test the feasibility of the business idea
* To give the new business the best possible chance of success.
* To secure funding e.g bank loans
* To make business planning manageable and effective
* To attract investors.
* To act as a basis for obtaining permission to start business
* To act as timetable for implementing business activities.
* To act as a management tool when operating the business
* To reveal gaps for further research.
* To highlight challenges so that solutions are provided for.
* To calculate the exact tax to be paid by the business pay basing on the projected profits.
* To identify the expected production targets.
* To define the specific goals and objectives
* To assess the SWOT of the business.
* To provide the entrepreneur with information about where the business is going.
* To enable the entrepreneur monitor the business performance.

**34(a) Components of;**

1. **A production plan**

* The business site premises and location
* Production process, flow and layout.
* Plant capacity required
* Quantities estimated to be produced or bought
* Production standards and quality objectives
* Machines, tools and equipment required.
* Raw material standards and amount of stock required
* Purchasing plans and re-order levels.
* Inventory plans for stock, working in progress and finished goods.
* Production control requirements
* Research and development plans required
* Power and other utilities required
* Transport facilities
* Proper packaging materials
* Waste management
* Labour requirements

1. **Components of a marketing plan**

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

1. **Challenges faced in implementing business plans.**

* Incompleteness in business plan preparation.
* Inconsistencies in business plan preparation.
* Preparation of unfeasible/unrealistic business plans
* Personal weaknesses of the entrepreneur
* Excessive competition in the targeted area.
* Natural calamities that may hinder movement and supply of required materials.
* Inadequate resources for example capital
* Under developed infrastructure/utilities
* Resistance from potential competitors while carrying out market survey
* Unrealistic priorities
* Unreliable sources of raw materials
* Low levels of technology
* Laziness of the entrepreneur
* Inadequate data/information
* Corruption and embezzlement by some employees
* Inconsistence in the flow of aid
* Limited skilled personnel

**35 (a) Tools used in monitoring a business.**

* Sales and production targets.
* Operational budget
* Cash flow statement
* Balance sheet
* Stock records
* Sources of funds
* Bank statements
* Work schedules
* Work order forms
* Departmental forms
* Profit targets
* Source documents and books of accounts.

**(b) Steps involved in preparing a business plan**

* Selecting a business opportunity
* Conducting a market survey
* Collecting all the relevant data concerning different business aspects.
* Drafting a business plan with its contents
* Discussing the draft business plan with knowledgeable or experienced person in the similar field.
* Finalizing the business plan
* Preparing an action plan for implementation.

36. (a) **Elements included in action plan**

* Analysis of the enterprise
* Business implementation planning
* Personal challenges that may hinder an entrepreneur
* External difficulties expected and how they are to be overcome
* Possible assistance expected and how it will be got and the nature of support
* Information being required and how it is to be got
* Expected help/assistance and who to provide it and how
* Confidence level of the entrepreneur during implementation

(b) **Uses of an action plan**

* 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

(c) **Steps followed when drafting an operational budget**

* Setting the business goals for the period budgeted for
* Setting the objectives
* Setting the activities to be performed and their time table
* Estimating the sales to be made
* Estimating the cost of goods to be sold
* Calculating the gross profit
* Estimating the selling, general and administrative expenses
* Estimating the profit
* Applying the tax rate to establish tax payable if the profits are taxed
* Deducting the tax payable from the net profit to estimate the net profit after tax

1. **Aspects included in a detailed plan**

* Market analysis
* Competitors/competition
* Products/services offered
* Marketing strategy
* Product/service presentation
* SWOT analysis
* Business structure
* Management and ownership
* Key objectives of the business
* Financial information concerning the business.

**TOPIC 9: PRODUCTION MANAGEMENT**

35.(a) **Factors considered when making production decisions**

* Facilities and organization
* Legal requirements
* Transport/infrastructure
* Acceptance by community
* Sales potential
* Money requirement
* Costs
* Supply sources
* Sales promotion and growth
* Market size
* Location of customers
* Nature of product
* Storage costs/facilities

1. (b) **Activities involved in the production process**

* Carrying out market research.
* Developing the product idea.
* Translating the product idea into product design.
* Sourcing of raw materials.
* Carrying out actual production.
* Packaging the product.
* Branding the product.
* Storing the product.
* Distributing the product.
* Making a follow – up with customers.
* Making any improvement desired.

**36.(a) Factors affecting stock levels in an enterprise**

* Availability of raw materials
* Re-order level
* Lead time
* Stock holding costs
* Consumption levels
* Trade discount allowed
* Durability of stock
* Availability of storage space
* Level of demand
* Amount of working capital
* Availability of goods

**(b). Factors considered when choosing suppliers of materials**

* Lead time
* Terms and conditions of sale
* Comparison with other suppliers
* Quality of materials supplied
* Taxes and regulatory procedures
* Price of products offered for sale
* Quantities available for sale
* Past performance of the suppliers
* Reputation of the supplier.

37. **(a) Reasons for proper inventory management.**

* To avoid typing a lot of financial investment in inventories
* To avoid over stocking and under stocking
* To ensure timely replenishment of raw materials for production of goods
* To meet demand fluctuating and avoid embarrassing and expensive stock out.
* To reduce stock losses due to expiry
* To account for the goods produced or stocked
* To allow flexibility in production scheduling and marketing
* To provide a safe guard for variation in raw materials delivery time/lead time.
* To maintain timely records of all items and to maintain the stock within the desired limits.
* To have update of records
* To acquire and maintain adequate storage technology
* To ensure the sufficient use of raw materials

**(b) Tools for inventory and stores management**

1. **Tools for inventory management**

* Re-order level
* Lead time
* Working capital.
* Usage rate

1. **Tools for stores management**

* Stock ledger cards
* Stock requisition/ Issue form
* Physical stock counting/stock taking
* Stock valuation
* Stock reconciliation.

**38.(a) Characteristics of appropriate technology**

1. Simple
2. Effectiveness
3. Availability
4. Flexibility
5. Durability
6. Efficient
7. Cost effective
8. Acceptable by the community
9. Sustainable and environmentally friendly.

**(b). Principles of purchasing**

* Right delivery place
* Right quality
* Right price
* Right supplier/ source
* Right time
* Right quantity

**Objectives of purchasing**

* To ensure that the organization has sufficient stock of raw materials.
* To develop and maintain adequate quality standards of raw materials and finished goods
* To anticipate demand levels and match them with company purchases
* To avoid duplication and wastage of raw materials
* To maintain the organizations competitive edge in the market place.
* To develop long term relationships with external suppliers

**(b) Factors considered when selecting inputs**

* Location of raw materials
* Cost of raw materials
* Quality of raw materials
* Terms of purchase
* Lead time
* Amount of units of raw materials used per production cycle
* Risk of damage
* Amount of waste
* Availability and reliability of the raw materials
* Amount of the raw materials to be maintained in inventory

1. (a) **Internal control systems for a business operator**

* Purchasing controls
* Quality controls
* Financial analysis
* Cost controls
* Controls for sales
* Pricing controls
* Employee morale

(b) **Relevance of practicing internal control systems.**

* It prevents forgery and fraud in business through proper use of cash.
* Maintains the quality of products by controlling the production process or purchasing process.
* They motivate employees by ensuring proper management of workers.
* They maintain adequate supply of stock like raw materials in a business so as to ensure continuous production of the products demanded by customers.
* They enable the enterprise to survive competition by controlling all business operations so as to perform better than the rivals.
* They minimize costs and maximize profits of the business by controlling costs and improving on sales of the business.
* They maintain a good image of the business by ensuring proper control of all operations so as to satisfy customers and other parties.
* They maintain business standards like by ensuring quality control so as to offer high quality products.
* They ensure safety of assets of the business by maintaining them well so as to ensure smooth operations.
* They avoid stock losses resulting from expiry of stock through proper inventory control.
* They avoid tying up working capital of the business in stock by stocking the right types and quantities in the right time for use or sale.
* They enable the enterprise to establish re-order level and lead time by carefully monitoring the stock levels during use.
* They reduce embarrassing and expensive stock outs through proper stock controls.
* They ensure proper pricing of the products for sale through effective pricing controls.
* They enable timely replacements of raw materials through proper raw material control.
* They avoid overstocking and understocking by monitoring the movements of stock in the business.

40.(a) (i) **Internal Control Systems used by entrepreneurs when managing quality.**

* Spot checking goods produced to ensure that they meet the set quality standards.
* Monitoring the merchandise to identify slow moving items and then getting rid of them by reducing their prices while increasing supply of fast moving items.
* Surveying the customers all the time to determine whether they are satisfied with the level of product quality and taking collective measures to improve the quality of products customers are not satisfied with.
* Discussing the product returns with customers to establish the source of their discontent, apologizing to them for inconveniences caused and taking corrective measures like by replacing products returned with good ones, repairing some products etc.
* Purchasing of good quality raw materials.
* Observing cleanliness in the work place to avoid contamination.
* Using high quality and attractive packaging materials that do not allow contamination.
* Observing all the technical specifications regarding quality.
* Ensuring proper organization of the production process.
* Training of workers on the methods of producing quality goods.
* Providing detailed description of all the steps followed in the production of products to enable business workers handle the transformation process correctly to produce high quality finished goods.
* Setting high quality standards to be achieved.
* Ensuring proper storage of raw materials and finished products.
* Ensuring proper financial management to finance quality improvement.
* Inspecting products before completion of the production process to ensure that finished products meet the acceptable quality standards.

**40 a(ii) measures a business should use to control or protect inventory.**

* Setting up a perpetual or continuous inventory control system involving the use of stock or bin cards for each item. All receipts of inventory are recorded one by one in the stock balance is determined after each transaction.
* Conducting physical counting of inventory / stock periodically like daily, weekly, monthly or yearly and recording the amounts in the stock at a given time.
* Carrying out periodical stock valuation so as to make proper decision on which stock to be sold / disposed off first.
* Keeping all valuable inventory items under lock and key in the storage room and ensuring that all items removed from the stock are recorded in a sign out book or stock card.
* Keeping an inventory file on stock identification cards by serial number for items with serial numbers like appliances, auto items and others so as to make it easy to enter the name and address of the purchasers (buyers).
* Analyzing all inventory (stock) control cards / bin cards so as to determine the frequency of use or sale of goods, thereby guiding re-order decisions and product withdrawal for slow moving (selling) items.
* Ensuring that stock requisition and issues forms are filled and presented to the stores department by authorized workers and departments requesting for specific items from the store business use.
* Carrying out that stock reconciliation periodically in order to compare what is on record and what is physically in the stores and updating them to agree plus finding causes for any disagreements.
* Fixing or setting the maximum stock level for goods or raw materials in order to ensure continuous sales or production.
* Fixing the re-order levels for merchandise (goods) and raw materials in order to ensure continuous supply of goods to customers and continuous production by ensuring availability of raw materials.
* Providing appropriate storage conditions / requirements for items in storage by providing appropriate storage temperatures and ventilation; storage facilities and others.
* Maintaining fixed assets register and updating it periodically to control business fixed assets.
* Engraving / labeling all the business assets so as to monitor and minimize their theft.
* Employing skilled workers like store keepers to ensure proper management of inventories in the business.
* Using stock ledger cards to ensure proper maintenance of the value of the various stocks held by the business.
* Using or improving technology that facilitates proper management like computer inventory tracking systems.
* Ensuring proper quality control for all types of inventories in the business so as to reduce losses like due to expiry, damage and so on.

**(b). Ways in which entrepreneurs reduce the cost of production**

* Making labour work for long hours
* Reducing fringe benefits for labour
* Buying raw materials from the cheapest source
* Employing few workers
* Setting up quality standards/ objectives to achieved
* Giving clear instruction to all workers
* Using quality raw materials
* Ensuring cleanliness/or business premises
* Motivating employees to keep their morale high
* Training workers to improve efficiency and avoid poor quality work
* Giving workers low pay
* Monitoring and supervision of production process
* Undertaking market research
* Using good and beautiful packaging
* Using better methods of production/ superior tools and technology or quality machines
* Observing technical specifications regarding quality and quantity
* Using good storage facilities
* Employing skilled personnel/workers
* Encouraging specialization and division of labour
* Ensuring good working conditions and specialization to increase workers’ morale
* Practicing proper accountability of funds to avoid unscrupulous expenditure
* Using right quantity of raw materials to reduce on quality of raw materials
* Combining operations to reduce on the number of workers so as to reduce labour costs.
* Specification duties and responsibilities of all employed persons to minimize conflicts, duplication of work and wastage of time.
* Planning the production process layout to reduce slack times, repetitive operations and reduce unnecessary movements.
* Numbering the storage bins and safe for easy reference and retrieval of the store material.
* Establishing the time gap between placing an order and receiving the materials ordered to avoid delays.
* Fixing time standards for all operations by clearly specifying the minimum and maximum times.

41.(a) **Strategies required for effective time management**

* Spending time planning and organizing
* Setting goals
* Prioritizing time
* Using a to do list
* Being flexible
* Considering biological prime time
* Doing the right things right
* Eliminating the urgent
* Practicing the art of intelligent neglect.
* Avoiding being a perfectionist.
* Conquering procrastination.
* Learning to say no.
* Rewarding themselves

(b) **Indicators of time wastage**

* Allowing too many interruptions.
* Gossiping / talking with people about personal matters unconnected to work.
* Having unnecessary or extra – long group meetings.
* Role confusion
* Bureaucracy / red tape
* Being disorganized.
* Engaging in little or no delegation.
* Being indecisive
* Being late or absent
* Postponing tasks required immediately.

(c) **Consequences of wasting time**

* It destroys team work in business as workers avoid working with slow ones.
* It delays / prolongs decision making process.
* It leads to delays in production.
* It lowers the sales volume due to delays in production.
* It leads to reduction in profits of the enterprise.
* It puts the firm at a competitive disadvantage.
* It leads to consumer dissatisfaction once their needs are not met in time.
* It leads to poor or late service delivery.
* It leads to resource wastage.
* It makes strategic planning difficult.
* It worsens employer – employee relations due to delay in production and delayed salary payments.
* It lowers the productivity of the firm.
* Leads to work and life imbalances due to failures to do the right things at the right time.
* Leads to financial penalties like fines to Uganda Revenue Authority for late tax payment.
* Leads to much stress and fatigue due to overworking and failing to finish work in time.
* Destroys reputation of the business due to delays in production.

42.(a) **Elements of a work place.**

* Material handling and storage
* Work station
* Productive machine handling and safety
* Control of hazardous substances
* Lighting
* Welfare facilities
* Premises
* Work organization

**(b) i. Ways of handling machines**

* Covering them after use
* Cleaning the machines
* Giving clear instruction to workers regarding machine usage
* Using them for intend purpose
* Employing skilled workers to operate machines
* Giving clear instructions to workers on how to use machines
* Ensuring proper storage of machines
* Switching off machines after use.
* Keeping records concerning the working life of machines
* Ensuring proper installation of machines
* Avoiding use of compressed air around machines.

**(ii). Ways of handling hazardous substances**

* Substituting hazardous substances with less hazardous ones such as organic solvents being substituted with caustic soap to minimize on the effects
* Making sure that all organic chemicals and solvents like paint glue etc kept in covered containers to avoid exposure to workers every time and fuming.
* Advising workers exposed to hazardous substances to wash their hands regularly and before eating or drinking using soap and other detergents
* Including a local exhaust ventilation system to let in fresh air and reduce on the concentration of hazardous fumes within the work area.
* Providing adequate and appropriate protective gargets like face shield, helmets, masks, gloves, gaggles and gumboots etc to reduce workers exposure to hazardous substances
* Training workers on proper use and maintenance of personal protective equipment and regularly monitoring their use.
* Keeping hazardous substances in restricted areas out of reach of many people to reduce on their exposure to workers.
* Reading and understanding instructions on all hazardous substances before using them to ensure that they are used as directed.
* Installing first aid boxes to ensure immediate treatment to any workers affected by hazardous substances in the work place.
* Labeling all hazardous substances to ensure that accidents are reduced in case workers get into with hazardous substances.

**(c) Factors considered when selecting machines**

* Cost of machines
* Capacity of machines
* Excise of maintenance and repair
* Flexibility of machines
* Availability of complementary parts
* Efficiency of the machine in relation to its productivity
* Useful life of the machine
* Ease in use
* Government policy on environmental conservation in relation to the machine
* Terms and conditions of payments
* Lead time.

43.(a) **Aspects of quality management**

* Quality control
* Quality policy
* Quality assurance
* Quality system
* Quality planning
* Total quality management

**(b) Customers misconceptions about quality**

* Misconception about price
* Misconception about origin of the product
* Misconception about brand name
* Misconception from customer’s point of view
* Misconception that quality improvement requires new and large investment
* Misconception about packaging of product.
* Some entrepreneurs blame their workers about poor quality of products, yet it is management to blame.

44.**(a) Purpose of quality control in an enterprise**

* To improve on the quality of the business product
* To promote the brand image
* To promote the entrepreneur’s image and reputation.
* To standardize the product
* To meet the set quality standards of UNBS.
* To determine the costs of production
* To outcompete other sellers/producers/rivals.
* To charge a competitive price
* To capture a big market share so as to increase demand for the product
* To minimize wastage in the production process.

**(b) Factors that influence the general quality standards of products in an enterprise.**

* Quality of raw materials.
* Mode of packaging
* Cleanliness of work place
* Extent to which technical specifications regarding quality are observed
* Extent to which a firm confirms to set legal quality standards
* Quality of labour force
* Natural of technology used
* Nature of product storage and raw material storage
* Quality of production management, process and lay out
* Production distribution
* The level of financial management

45.(a) **Causes of production of poor quality products.**

* Operating in a dirty environment.
* Using poor quality raw materials.
* Using poor quality packaging materials.
* Improper mixing of ingredients.
* Having a disorganized production process.
* Employing unskilled labour.
* Failure to allocate funds for quality management.
* Setting of low quality expectations.
* Poor storage of raw materials and finished products.
* Improper product distribution / using channels which compromise products quality.
* Using inappropriate technology.
* Failure to conduct market research on customers’ quality expectations.

(b) **Ways in which proper financial management promotes the quality of products in an enterprise.**

* Paying worker’s salaries and wages in time
* Purchasing of quality raw materials
* Financial research about quality management
* Financing the servicing of machines in time.
* Obtaining and paying for utilities in time.
* Constructing the work place in a systematic way.

**TOPIC 10: MARKETING MANAGEMENT SKILLS AND SALES PROMOTION**

**46.(a) Marketing decision areas to be met in the marketing programme.**

1. Price: This is the money value of a product.
2. Product: It’s a good / service offered for sale.
3. Promotion: Refers to means of attracting customers.
4. Place: Refers to where a product is sold.
5. Positioning: Means targeting a particular segment of the market to whom business products are to be sold.
6. Packaging: Is the wrapping of goods in special containers to protect them from pouring and contamination.
7. People: Refers to the customers of business products.
8. Provision: Refers to preparatory measures taken to meet future needs.
9. Perestroika: Refers to the policy of restructuring and reforming various systems applicable for the organization.
10. Probe: Is the act of exploring the needs and desires of customers, strategies of competitors and how to beat them.
11. Physical evidence: It consists of tangible indicators of effectiveness of promotional activities.
12. Planning: Involves deciding on what, where, when and how to produce.
13. Process: Refers to the means of obtaining customers and selling business products.
14. Permeate: Refers to the penetration into every market unexplored, so as to satisfy the needs of customers.

(b) **Purpose of carrying out market survey.**

* To find out who the customers are.
* To establish customers’ need
* To find out when and where the customers want the good service.
* To determine his market share
* To find out the effectiveness of the sales promotional strategies used.
* To find out customers’ opinions regarding the new product strategies used.
* To find out customers ‘opinion regarding the new product.
* To assess the level of competition
* To make decision whether to expand or improve the current product.
* To determine the best channel of distribution for the business.
* To find out the best location for the business.

47.(a) **Factors that determine the target Market population.**

* Level of income
* Consumption habits
* Government policy on taxation / subsidization / 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 / population structure / age and sex.
* Trends in the market
* Level of advertising

(b) **Circumstances under which an entrepreneur may set a high price for his goods**

* When the cost of production is high
* When the competitors also charge high prices
* When the products value is high
* When the fashion is unique
* When customers bargaining power is low
* When demand of a product is high
* When supply is low
* When the product is seasonal
* When there is low competition/monopolistic situation
* When further increase in prices is expected (inflation)
* When a product is durable
* if the buyer is taking goods on credit
* If he wants high profit margin
* When he is selling to customers in high income levels
* In case of increase in government legislated prices

48.(a) **Steps involved in determining market size/market share for a business**

* Establishing total number of homes in a targeted area
* Establishing the average annual household income
* Multiplying the total number of homes and average household income to arrive at the total annual income for particular trading area.
* Establishing what percentage of household income is spent on the specific product category by a particular group
* Multiplying the percentage of the household income spent on the particular product by the total annual income in the trading area.
* Calculating the total market share by assuming the percentage to be spent on the product as above.

(b) **Challenges faced in marketing of products**

1. Difficulty in conducting market research.
2. Challenge of fixing affordable prices.
3. Failure to identify credit worthy customers to be offered credit.
4. Choice of inappropriate promotion strategies.
5. Unfavourable weather like rain which hinders movements.
6. Challenge of selecting appropriate channel of distribution of products.
7. Inadequate funds to implement marketing activities.
8. Competition with other sellers / producers of similar goods.
9. Challenge of maintaining the quality of products.
10. Challenge of minimizing marketing expenses.
11. Inadequate transport facilities to help in marketing of the products.
12. High bargaining power of customers.

49.(a) **Strategies adopted to ensure good customer care**

1. Exhibiting honesty towards customers.
2. Handling customers’ complaints tactfully.
3. Being pleasant towards customers.
4. Offering prompt services
5. Using good business language.
6. Having sound knowledge.
7. Being tactful i.e handling difficult situations with care.
8. Paying attention to all customers concerns.

(b). **Bases of market segmentation**

* Demographics
* Socio economic characteristics
* Product usage
* Psychographics
* Generation
* Benefit sought
* Geography
* Deo-demographic
* Discussion

**(c) Aims of market segmentation**

* To match customers’ needs in a better way
* To enhance profits for the business
* To increase opportunities for growth
* To target marketing communications to a relevant customer audience
* To gain share of the market segment
* To be able to reduce marketing costs
* To retain more customers
* To determine the level of competition in the market.
* To enable positioning of each brand within a portfolio against a distinct set of customers’ needs.

50.(a)**Tools used in marketing research**

* Observation
* Interviewing
* Questionnaire
* Telephone survey
* Brainstorming
* Experimental method/ sampling
* Use of SWOT analysis
* Personal contacts
* Internet

(b) **Pricing strategies adopted by entrepreneurs**

1. Cost oriented pricing
2. Demand oriented pricing
3. Competition oriented pricing
4. Haggling / bargaining
5. Government pricing policy
6. Forces of demand and supply.
7. Value oriented pricing.
8. Supply oriented pricing.
9. Auctioning.
10. Resale price maintenance.

51.(a) **Steps involved in creative selling process.**

* Pre- customer contact
* Prospecting
* Initial contact
* Presentation of merchandise
* Handing objection
* Closing the sale
* Suggestion selling
* Sales follow-up.

**(b) Reasons for carrying out personal selling**

* To identify the customers’ needs
* To negotiate with customers on specific needs like prices, quality etc.
* To create good customer relations
* To provide technical assistance to customers for example on how to use products
* To help in winning buyer’s confidence
* To help in removing doubt and ignorance about different aspects to the product
* To help acquire regular and permanent customers
* To obtain feedback from customers regarding products sold.
* To create long term relationship between the enterprise and the customers
* To demonstrate the functioning of the product and all its characteristic.

**(c) Attributes of a creative selling person**

* Tactful
* Good attitude
* Selected physical attributes
* Personal hygiene
* Good judgments
* Self confidence
* Knowledgeable

52.(a) **a) Importance of advertising**

* Constantly remind the customers of the availability of the products
* Introduce a new product/design into the market
* Creates brand preference and loyalty among the customers
* Creates good will/image for the company /entrepreneur
* Stabilizes their sales.
* Bridges the gap between the entrepreneurs and the customers
* Retains market/ customers for the products
* Increases sales/ demand/ market for the product
* Informs the public about availability of products.
* Facilitates competition/ to compete favorably with rivals
* Persuades the consumers to buy the products.

**(b) Elements of an advertising message**

* The appeal. Should capture receiver’s attention
* Value proposition. Should emphasize product benefits
* Slogan**:** Distinguishing words/ phrase from others
* Problem solving: should provide information regarding the use and utility benefit of a product
* Recall value: should stick in customer’s memory
* Sincerity of the message: gain confidence of customers and should tell truth
* Clear illustration
* Strong fee offers: good words encouraging the receiver to take the product now

53.(a) **Tools used in sales promotion**

* Free samples
* Premium of bonus offer
* Price off offer
* Coupons
* Trade fairs and exhibitions
* Trading stamps
* Scratch and win off
* Money back offer
* Window display
* Goods on credit
* Offering cash discounts
* Giving donations.
* Organizing competitions or games
* Creating the right attitudes in your employees
* Maintaining links with others
* After sales services

(b) **Reasons for carrying out sales promotion**

* To introduce new brands.
* To attract customers and retain the existing ones.
* To maintain sales of seasonal products.
* To meet the challenge of competition.
* To remind the public about the availability of products.
* To target a particular segment of the market to whom products are to be sold.
* To bridge the gap between the entrepreneur and the consumers.
* To promote the image of the firm.
* To dispose off products that are about to be off fashioned or expired.
* To create confidence in the mind of customers about quality of the goods through money back offers.
* To give financial benefits to the customers by way of giving prizes.

54.(a) **Sales production strategies**

* An advertising campaign
* Public relations activities
* A free sampling campaign
* Free gift campaign
* Demonstration an exhibition
* Price giving competition
* Temporary price cuts
* Trade marketing
* Personal sales letters and e-mails

(b) **Factors considered when choosing a sales promotion strategy**

1. Size of the enterprise.
2. Costs involved in marketing.
3. Price of the product.
4. Level of competition.
5. Nearness to customers.
6. Nature of the product.

55.(a) **Channels of distribution**

* From the manufacturer to the consumer (Direct Channel).
* From the producer to retailer to consumer (Medium Channel)
* From the producer to agent to retailer to consumer.
* From the producer to wholesaler to retailer to consumer (Long Channel)
* From the manufacturer to agents to consumer.
* From the manufacturer to agents to wholesalers to consumers.

**(b). Factors considered when selecting a distribution channel**

* The nature of the product
* The value of products
* The nature and site of the market
* Nature of middle men
* The storage consideration
* Method of delivery
* Quality of middle men
* Reliability of the channel and its image
* Degree of competition
* Distribution policy of the enterprise
* The cost of distribution

(c) **Features of an effective channel of distribution**

1. It maximizes sales.
2. Minimizes costs.
3. Maximizes profits.
4. Captures a big market share.
5. It is convenient to both the entrepreneur and the customer.
6. Minimizes risks.
7. Does not affect the quality of the final product.

56.(a) **Forms of advertising media**

* News papers
* Magazines
* Radios
* Televisions
* Cable advertising
* Business directory
* Outdoor advertising
* Direct mail
* Specially advertising
* Internet advertising

**(b). Aspects that characterize potential customers**

* Age
* Sex
* Location
* Occupation/employment
* Income
* Leisure activities
* Usage

**57.(a)Advantages of newspapers advertising over radio**

* Newspapers advertise favors the deaf unlike radio advertising where the are disfavored
* Newspapers advertising is illustrative unlike radio where message is only theoretical
* Detailed information can be presented using newspapers unlike radio advertising which only broadcasts brief information
* Newspapers advertisements can be read at any convenient time to the intended people than advertising on radio where the message is timed.
* Newspapers can be kept for review than radio advertising where once the message is missed, there is no chance of review
* Errors can be corrected on proof reading a newspaper advert unlike radio adverts where once broadcasting is done errors become hard to convert.
* Newspapers have a wider coverage in terms of geographical area unlike radios where the coverage is limited to a small geographic area.

**(c) Instances under which an entrepreneur may sell goods on credit**

* When the entrepreneur can also buy on credit from suppliers
* If there are strong and efficient laws which can protect the entrepreneur so that debts are recovered
* When the entrepreneur is faced with a crisis for example if the goods are nearing expiry
* If the buyer can present a collateral security which can be used for recovery of the unpaid debt.
* If it is an industrial practice
* When the entrepreneur expects prices to fall
* When the entrepreneur has sufficient working capital to finance credit sales.
* When the entrepreneur aims at marketing the product.
* In case of a deflationary situation ie when supply exceeds demand
* When the entrepreneur has carefully assessed the credit worthiness of a customer who want credit.
* If he is faced with pressure from competitors who also sell on credit
* When the entrepreneur wants to reduce storage costs.

**(d) Ways of managing credit sales**

* Fixing maximum amount of goods to be sold on credit
* Giving a shorter credit period
* Asking for a collateral security
* Imposing penalty on debtors who don’t pay within the credit period.
* Accepting any other mode of payment
* Rescheduling the date of payment to make it convenient for the debtors to pay.
* Giving cash discounts to those who clear their bills promptly.
* Offering credit to well-known and credit worthy customers.
* Documenting all credit sales immediately.
* Charging higher prices for goods sold on credit.
* Using only the authorized person to give and approve credit sales.
* Insuring the debtors against bad debts.
* Motivating debtors to pay immediately
* Requesting for guarantors before offering credit to a client.
* Sending periodic reminders to debtors.
* Requesting for a higher amount of down payment.
* Taking a legal action on defaulters.
* Contracting debt collectors to manage credit sales.

**TOPIC 13: HUMAN RESOURCE MANAGEMENT**

**58.(a)Elements of human resource management**

* Man power planning
* Recruitment
* Selection
* Placement
* Induction training
* Human resource development
* Determination of employee remuneration
* Motivation
* Communication
* Termination

**(b) Role of human labour management is:-**

* Improvement of working environment for workers
* Eliminating wastage of resources
* Improvement of worker’s skills through staff training and development
* Enabling careful recruitment, selection and placement of the right workers
* Promotion of the good staff relations through development of co-operation between the employer and the staff.
* Controlling labour strikes by instilling commitment among workers
* Minimizing damage to machines and equipment through use of technically competent people
* Promotion of a good image of the business through good skills exhibited by the personnel manages.
* Evaluation of performance of employees in all departments of the enterprise through performance approval
* Termination of employees who cannot perform as per the business objectives.

**59 (a) Importance of organizational chart to an enterprise**

* It facilitates smooth flow of information in an enterprise
* It helps an entrepreneur to determine the manpower gaps in a business
* It helps an entrepreneur when determining workers’ wages and allowances
* It shows the organizational structure of the enterprise
* It specifies duties and responsibilities of different personnel in an organization
* It enables the successfulness of performance appraisal basing on employees and managers.
* It creates a point form for delegation of authority between superiors and subordinates
* It used as a reference point whenever transfers and promotions are to be done in n organization
* It gives hierarchy of authority/command in the organization
* It motivates workers to work hard
* It helps to coordinate different departments.

**(b) Personnel requirements of business**

* Job description
* Job specification
* Job grading/job evaluation
* Job performance standards
* Recruitment
* Job induction

**60 (a) Source of recruiting workers in an enterprise**

* Present employees, recommendations
* Unsolicited applicants
* Schools, high schools, vocational schools, colleges and universities
* Private employment agencies
* Employee referrals
* Help wanted adverts
* Special media publications
* Head hunting, talent spotting, field trips
* Recommendations of existing employees
* Walk ins
* Trade unions
* Transfers
* Promotions
* Advertisement

**(b) Reasons why the rate method of paying workers is preferred to piece rate method**

* Time rate method minimizes occurrence of accidents since workers take their time while working unlike piece rate method which is associated with accidents in an attempt to increase output.
* Better quality work is produced under time rate method especially if strict supervision has been done compared to piece rate method where work is in a short time.
* Workers are in position to plan their expenditure under time rate method since the income is fixed unlike piece rate method where payments fluctuate and are abrupt.
* Under time rate method, workers are not over strained since there is a standard time of workers compared to piece rate method where workers are over strained to increase production and earn more.
* It gives the employer to prepare and organize workers payments under time rate method than piece rate method where payments fluctuate and are abrupt.
* Time rate method makes it convenient for the employer to calculate the wage for each worker compared to piece rate method where computations are hard since every employee is paid differently.
* There is need to measure each workers performance under time rate method which enable even the razy workers to benefit unlike piece rate is measured putting lazy workers at a disadvantage
* Time rate method is suitable for service occupations where work cannot be divided into smaller units unlike piece rate method which work cannot be divided into smaller units.

**61.(a) Causes of the high labour turnover in Uganda**

* Inadequate wages
* Low levels of motivation/poor morale
* Recruiting and selecting wrong employees
* Abundant local labour market offering more opportunities to employees
* Promotion prospects in other business
* Infective communication/ communication gaps in the organization
* Delayed payment of workers’ salaries
* Disrespect of employees by bosses
* Excessive work load to workers
* Excessive authoritarianism/ unfriendly supervision of workers by bosses.
* Sexual harassment of workers by bosses
* Job insecurity/lack of appointment letters
* Lack of appreciation for workers’ efforts / contribution towards organization development
* Discrimination/ segregation of workers in the organization

**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.

**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
* Underutilization of production facilities
* High rate of scrap and waste
* Over time pay increased
* Lowers reputation of the business

**(b) Solutions to the high rate of labour turn over in Uganda include**

* 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

**62.(a) 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 productivity of workers through inducing them to worker hard this increases output.
* To create a better image of the firm/business since employees will be given financial and non-financial rewards.
* To improve skills of workers through provision of training programs 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 encourage the spirit of hard work.

**(b) Ways through which entrepreneurs motivate their employees.**

**By/through:**

* Assuming promotion prospects to workers
* Ensuring favorable job content
* Providing adequate and timely recommendations
* 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 for employees
* Using open/proper communication
* Attending to worker’s problems
* Providing fringe benefits to workers

63.(a) **Circumstances under which an entrepreneur terminates his workers**

* When he wants to reduce expenditure on employees.
* When he wants to attain a competitive advantage over other enterprises.
* When he wants to encourage innovation and creativity among workers.
* When he wants to motivate employees with such negative rewards.
* When he wants to get rid of indisciplined workers.
* In case he wants to attract employees with better skills.
* When he wants to improve on the work of other employees.

(b) **Procedure for recruiting workers**

* Identifying the vacant posts.
* Determining the number of employees required.
* Advertising the posts.
* Receiving application letters.
* Cross checking the applications against the job specifications.
* Shortlisting the applicants
* Conducting interviews.
* Analysing interview results.
* Contacting referees.
* Selecting suitable candidates.
* Appointing successful candidates.
* Receiving acceptance letters.
* Placing new employees in their workplace.
* Giving induction training to newly recruited workers.

64.(a) **Ways in which entrepreneurs remunerate their workers**

* Piece rate method – depending on work done
* Time rate method – depending on time worked
* over time pay
* Flat rate payment
* Contract based payment
* Commission payment
* Profit share rate
* Payment in kind
* Shift pay
* Cost living allowances
* Special wage additions

**(b) Reasons for difference in wages paid to workers**

* Difference in workers’ experience
* Difference in level of education
* Difference in workers’ productivity
* Difference in profitability of the business
* Differences in the cost of living
* Differences in the nature of work
* Differences in demand of services offered by a worker
* Differences in entrepreneur capacity to pay
* Difference in working conditions
* Difference in trade union bargaining power
* Difference in workers’ efficiency

65.(a) **Causes of indiscipline among workers**

* Indiscipline among supervisors / managers.
* Defective work by workers.
* Bad habits like late coming and absenteeism.
* Absence of work rules and failure to publicise them.
* Inconsistency in enforcing discipline.
* Indecisive management.
* Favouritism towards some workers.
* Excessive dictatorship on the side of management.
* Delays in paying workers’ salaries.
* Unfair punishment of workers.
* Limited motivation of workers.
* Lack of effective performance appraisal.
* Unfavourable working conditions.
* Inadequate monitoring and supervision.

**(b). Steps involved when handling discipline in an enterprise**

* Documenting all the details of indiscipline
* Having a verbal discussion with the employee by the immediate supervisor
* Writing a warning letter to the employee if he does not change
* Forwarding the issue to the disciplinary committee
* Giving an employee chance to defend him/herself
* Taking a disciplinary action depending on the nature of the offence eg supervision or demotion with reduced pay.
* Termination in case of failure to reform

66.(a) **(a) Reasons for appraising workers’ performance**

* To decide whether there is need to increase a workers’ pay or not basing on grounds of merit
* To determine the future use of an employee i.e whether he/she should remain on the present job or be transferred, promoted, demoted or dismissed.
* To identify the training needs of employees
* To motivate employees to do better in present jobs by allowing them to appraise their own performance.
* To judge whether the employee has performed according to the expected standards of performance or not.
* To provide performance records needed by financers, donors, creditors so as to evaluate the performance of the enterprise.
* To enable employees set realistic job targets
* To promote good working relationship between employers and obtain proper communication to re-enforce desired competencies/behaviors among workers.
* To obtain feedback on performance
* To validate selection techniques and human resources policies for equal opportunities of workers.
* To monitor and ensure efficiency and effectiveness of workers.

**(b) Methods of appraising worker’s performance**

* Ranking method
* Grading
* Rating scale
* Open ended method
* Behavior expectation scale
* 360-degree appraisal

**67(a) Measures that can be taken to improve labour relations in an enterprise**

* Respecting workers
* Paying workers promptly
* Motivating workers
* Involving workers in decision making
* Avoiding tempting workers
* Ensuring good communication in an enterprise
* Handling employees’ grievances methodically
* Creating a favorable working environment
* Ensuring empathy
* Providing good leadership
* Knowing workers well and by names
* Carrying out objectives performance appraise
* By training works
* Giving clear instructions to workers
* Promoting workers on merit.

**(b) Purpose of training workers in an organization**

* To meet expansion needs
* To improve employee morale
* In order to meet a pool for replacement of workers
* To increase productivity/ to encourage hard work
* For increasing the ability to adopt to new technology/ change
* To reduce/ minimize labour turnover
* To increase employee efficiency/ To improve the quality of the products produced
* To maximize the utilization of the available human resources
* To increase the commitment of employees
* To improve employee-employer relationship
* To build a positive employee perception or feeling about the organization
* To improve the co-operation image of the enterprise
* To facilitate delegation and decentralization of authority
* To reduce accidents
* To give employees a sense of satisfaction through achieving their personal goals
* To enable old employees adjust to the changing job requirements
* To reduce the need for supervision of workers.

**(c) Procedure of training workers**

* Identifying organizational objectives
* Assessing the needs i.e identifying priorities of the enterprise to discover the gap
* Selecting training targets (objectives/goals)
* Selecting the trainees
* Choosing training method
* Selecting competent trainers basing on the type of training needed
* Administering training to the selected employees (training administration).
* Evaluating the training

68.(a) **Methods of training workers**

* On the job training
* Off the job training
* Induction training
* Management training

(b**) Factors that determine employee training**

* Future expectations.
* Level of competition.
* Employee work schedule.
* Expertise management.
* Financial capacity of the organization.
* Company human resource policy.
* Cost of training.

(c)**. Reasons why small businesses neglect training**

* Limited time
* Failure to get started
* Broad expertise
* Lack of interest and openness
* Skepticism as to the value of training

69.(a) **Aims of induction training**

1. To enable employees remain productive for a long period of time.
2. 2To enable new employees learn about company policies.
3. To reduce labour turnover.
4. To enable employees develop a sense of belonging to the organization.
5. To enable new employees understand the organizational culture.
6. To motivate new employees as they feel welcomed.
7. To promote team work.
8. To spell out duties to the new employee so as to avoid role confusion.

(b)**Factors considered when preparing induction of new employees**

* Know the job. The entrepreneur gathers information about the job on which the induction of employees is to be made.
* Have the current employee serve a mentor.
* Prepare a simple job breakdown
* Set a training time table
* Arrange the work area
* Evaluate new employees work on a daily basis
* Treat employees with disabilities as other employees but provide specific equipment to enable them perform the job effectively

**TOPIC 13: COPING WITH COMPETITION**

**70.(a) Type/ forms of business competition**

* Perfect competition. This consists of many sellers of identical products and many buyers and none of them exercises undue influence on price, supply and demand
* Monopolistic/ imperfect competition. Under this, there are many firms selling goods and many buyers but no individual buyer has influence over the market. Each seller controls a small portion of the market.
* Monopoly, this consists of one producer of a good/ services with no close substitutes. Entry of other firms is blocked.
* Oligopoly. This consists of few firms each having a considerable share of the total output with many buyers in the market.

**(b) Effects of competition in business**

**Positive effects**

* Leads to better customer satisfaction
* Increased efficiency
* Leads to better employee remuneration/payments
* Leads to production of a variety of products
* Leads to production of better quality products
* Mass production due to free entry of firms
* Leads to improved service delivery
* Reduction in prices of products
* Enjoyment of free services, samples etc by customers
* Encouragement of hard work

**Negative effects include:**

* Reduction in market share/ demand/number of customers
* Increased costs of production
* Limited expansion of the firm due to reduced profits
* Unemployment due to collapse of inefficient firms
* Limited research due to reduced profits
* Reduction in prices hence reduced profits
* Reduced morale/self-esteem for those entrepreneurs who lose out.
* Increased labour/employee turnover
* Increased cash shortfalls in the enterprise
* Reduced sales

**71(a). i)Factors considered when analyzing competition.**

* Size of the competition
* Profitability of competitors
* Operating method
* Distribution of competitors

**(ii) Factors affecting competition in businesses**

* Mobility and accessibility over lap
* Product overlap
* Substitution
* Public awareness
* Product priority

**(b) Factors considered when evaluating business competition**

* Sales decline or increase in sales
* Flow of customers on a daily basis
* Production orders may be reduced due to competition
* Cash in low and out low
* Personnel i.e some employees leave to competing firms for higher Payments
* Technologies, enterprises with modern technology and knowledge are more competitive than those with old technology.

**(c). Ways in which businesses survive failure**.

* Having objectives
* Ensuring effective planning
* Using skilled labour
* Exhibiting good customer care
* Using good selling and distribution methods
* Employing security personnel to safeguard business premises and assets
* Ensuring good management with good leadership practices
* Avoiding over expansion beyond sustainability
* Utilizing utilities at one’s disposal optimally
* Minimizing production costs
* Ensuring appropriate pricing

72.(a) **. (a) Strategies used by entrepreneurs to maintain a competitive edge/ how firms compete.**

* 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 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
* Cheating customer loyalty attractions such as giving gifts, free samples, and service delivery.

1. (b) **Indicators of an increase in the level of competition**

* Reduction in the daily flow of customers.
* Decline in sales.
* Reduction in production orders.
* Fall in the cash flows.
* Outflow of personnel joining more competitive firms.
* Inability to access modern technology.

**TOPIC 14: FINANCIAL PLANNING AND TAXATION**

**73 (a) Sources of capital for a business**

* Personal servings
* Loans
* Family contribution
* Trade credit
* Money market based credit
* Gifts and offers from friends
* Sell of personal property
* Obtaining debentures
* Advance from customers
* Selling shares
* Bonds
* Leasing
* Factoring of debtors
* Re investing profits

**(b) Circumstances under which an entrepreneur may obtain a bank loan**

* When there is a justifiable financial gap to be filled in business
* When an entrepreneur possess collateral security to present to the bank
* When there is urgent profitable opportunities which require immediate action
* When the expected profits are higher than the interest to be paid.
* When the business market expands and the entrepreneur is unable to meet the market demand
* When the lending terms are favorable to the entrepreneur for example low interest rate, long credit period.

**(c) Ways of ensuring proper loan management**

* Communicating to the lender major changes taking place in the business
* Obtaining a manageable loan size
* Using the loan for the intended purpose
* Providing accurate information when obtaining a loan.
* Promoting regular visits to the lender
* Observing agreed method of loan repayment
* Ensuring proper documentation of the loan
* Attending seminar and workshops on financial management
* Employing proper supervision and monitoring of the business to ensure its profitability
* Insuring the bank loan and business with insurance companies.

**74.(a) Reasons why an entrepreneur should save part of his or her**

* To meet precautionary needs, for example treatment in case of abrupt sickness and financing some unplanned expenditure
* To meet specific needs which require big sums of money
* To store current value or surplus so that it can be used in times of scarcity.
* To prepare for old age. For example buying the life endowment policy from insurance companies.
* To facilitate further planning basing on the saved funds and prioritizing the needs and expenditure
* To meet the legal requirements for employees for example National Social Security Fund (NSSF) contribution by all employees.
* To meet future invest plans for example to start a business
* To meet future consumption needs which may be important than current ones for example paying medical bills children education fees.

**(b) Factors influencing entrepreneur level of savings**

* Level of income. High incomes possessed by the people lead to high levels of savings while low income levels lead to low rate of savings.
* Culture of the society/individuals confidence about the future
* Growth in value of savings
* The government policy regarding savings
* The level of consumption
* Desire to meet future investment targets
* Level of expectations and speculations
* Level of political stability
* Level of liquidity preference.
* The marginal propensity to save.

**75 (a) Ways of speeding up cash collection from debtors**

* Billing as soon as work is done
* Enclosing invoices within delivery documents
* Encouraging customers to deliver cheques to the business premises
* Opening bank collection accounts in areas where the business has many customers
* Arranging for business staff to collect cheque payment from debtors
* Reducing the collection float
* Giving cash discounts to motivate the debtors
* Sending reminders to debtors before payment date
* Improving efficiency in the process of preparing and sending invoices

**(b) Ways of managing cash**

* Documenting and balancing all physical cash and cash records at the end of each day.
* Banking all cash received intact
* Documenting all cash disbursements
* Controlling all cash receipts and other documents related to accountabilities
* Receiving a bank statement on a regular basis and reconciling with business records
* Keeping cash at the business premises under key and lock in lockage safes
* Taking less salary out of business
* Employing auditors surprisingly to check on errors and fraud
* Counting all physical cash receive to ensure that it is correct.
* Monitoring all workers receiving and paying cash to control fraud.

**76(a) Principles of a good tax system**

* Flexibility/ buoyancy/ elasticity
* Convenience
* Certainty/ consistency
* Economy/ cheapness/ Efficiency
* Productivity
* Neutrality/ impartiality.
* Comprehensiveness/ diversity
* Equality/ Equity

**(b) Reasons for levying taxes**

* To raise revenue to be used to finance development project
* To reduce income inequalities
* To reduce monopoly tendencies in an economy
* To discourage dumping
* To fight inflation
* To correct balance of payments deficit
* To discourage consumption of dangerous goods
* To encourage hard work among workers and entrepreneurs so as to remain with some income after taxation
* To ensure steady economic growth and regulating expenditure on essential activities.
* To enforce forced savings through National Social Security Fund
* To discourage importation of certain goods
* To protect infant industries against unfair foreign competition
* To regulate economic activities in an economy
* To direct investment and resource allocation.
* To protect the environment

**77.(a) Factors influencing the level of tax compliance**

* The extent to which the tax is equitable
* The tax rate
* The extent to which tax laws and regulatory frame work is simple and easy to understand.
* The quality of tax administration
* The quality of business management by tax payers
* Popularity of the government and quality of governance
* The level of consistence and fairness in application of tax laws
* The extent to which the tax burden is distributed to all potential tax payers
* Availability of resources

**(b) Measures that can be taken to encourage tax compliance in Uganda**

* Reducing corruption and embezzlement of tax revenue
* Ensuring that taxes are simple
* Ensuring that taxes are equitable
* Sensitizing the masses on the role of taxation
* Developing a tax payer friendly system of tax collection
* Ensuring political stability to boast economic activities
* Ensuring proper usage of taxes
* Using trained personnel to asses and collect taxes.
* Adopting a principle of fair tax assessment
* Strengthening the tax implementation laws.

**(c) Steps taken to effect tax compliance**

* Registration of tax payer with URA
* Obtaining the T.I.N
* Preparing tax records ie income statements
* Getting assessed for taxes
* Submitting timely tax returns
* Payment of taxes
* Receiving feedback from URA eg tax certificates.

**78 (a) Indirect taxes are popular to direct taxes due to the following reasons**

* They are difficult to avoid and evade since they are contained in the prices of goods and services consumers buy unlike direct taxes which are easy to avoid and evade
* They can be used to strengthen link with other countries through international trade unlike direct tax which is levied on incomes and instead repel foreign investors
* Indirect taxes are less felt and resented since they are usually paid as part of the prices of goods unlike direct taxes whose burden is directly taxes whose burden is directly felt by the tax payer
* Indirect taxes encourage hard work and initiative since they are not directly linked to earnings unlike direst taxes which discourage production and act as a discentive to hard work and initiative.
* 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 whose collection cost is high especially in rural areas.
* Indirect taxes are convenient to the tax payers since they are paid when a consumer spends on goods/ services compared to direct taxes which are inconvenient to tax payers especially when they are paid in alum sum and in advance.
* Indirect taxes are elastic/ flexible unlike direct taxes which are hard to adjust depending on the changes in the country’s economic situation.
* 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 individuals income.

**(b) Responsibilities of URA**

* Assessing and collecting taxes in accordance with the tax law.
* Accounting for all the revenue collected to the ministry responsible for finance.
* Facilitating trade and investment by liaising with other government bodies such as the ministry.
* Advising government on matters of policy related to tax and revenue administration.
* To ensure that there is a well-trained and highly professional human resource
* To educate tax payers and make them aware of their rights and obligations.
* To ensure secrecy of every taxpayer’s affairs and use tax information in accordance with tax law.
* To broaden the tax basely bringing different areas of the economy under tax base.

**79(a) The merits of direct taxes over indirect taxes include;**

* Direct taxes are more certain because the tax payers are well informed regarding the amount to pay, the time and method of payment unlike the indirect taxes that are not certain.
* They are simple to understand by both the tax collector and tax payers unlike indirect taxes that are more complex.
* They are progressive in nature thus facilitate re-distribution of income and wealth unlike indirect taxes which tend to be regressive in nature.
* They are more elastic and flexible and hence can be changed depending on the needs of the economy. They are more convenient because they can be paid in installments unlike indirect taxes.
* They are easy to collect at a relative low cost for example Pay As You Earn unlike indirect taxes which are relatively not easy to collect.
* They promote civic responsibility among tax payers since tax payers follow how their taxes are spent by the government thus checking government expenditure.

**(b) Costs of a corporation tax**

* It reduces profit margins of a company
* Reduces the working capital
* Leads to increased product prices
* It hinders a company’s investment
* It may lead to collapse of the company
* It discourages hard work

**(c) (i) Advantages of VAT**

* VAT is easy to administer
* It minimizes tax evasion since each unit of output accounts to taxes paid by individuals/firms
* Widens the tax base
* It encourages exportation of a country’s products and makes them competitive on the international market by allowing a tax refund on exportable goods
* It makes it possible for some goods to enjoy tax exemptions.

**(c) (ii) Disadvantages of VAT**

* It requires proper record keeping by individuals and firms
* It’s quite complicated and not easy to understand especially in low developed countries like Uganda
* VAT tends to be regressive since all tax payers are treated equally
* The system is quite expansive especially for small firms in terms of record keeping expenses
* It may encourage tax evasion since it is highly relies on cooperation and good will of tax payers who calculate their tax.

**(d) Rights of a tax payer**

* Confidentiality: URA shall ensure secrecy of every tax affairs.
* Equity: A tax payer has a right to be treated equally as other tax payers by URA
* Facilitation of tax payer’s compliance. URA shall ensure that tax payers register and educate them.
* A tax payer has a right to be attended to by URA as regards to appeals and objections.
* A tax payer has right prior notices by URA on any matter like inspection.
* A tax payer has a right to tax refunds by URA within prescribed time limit
* A tax payer has a right to excellent customer care by URA.
* A tax payer has a right to be attended to by URA in regard to processing returns, customs entries and other documents.
* URA shall be accountable to tax payers on matters like accurate tax records, prompt processing of tax credits etc.

**Obligations of the tax payers in Uganda**

* Registration: A tax payer is required to voluntary register with URA.
* Filling returns and entries.
* Tax payment: Tax payer is required to pay the correct tax of the right time and place.
* Disclosure/ Declaration of information
* A tax payer is required to be honest with URA by giving all information required.
* Co-operate with URA by giving full information required
* A tax travelling is required to accurately complete all the necessary forms before reaching the arrival or departure processing points.
* A tax payer importing or exporting cargo can use the services of licensed customs brokers to complete customs entries and related formalities.

**80.(a)** **Reasons why entrepreneurs should be tax compliant.**

* To raise government tax revenue so as to provide social services.
* To enable smooth running of business operations.
* To attract government support.
* To enable the business acquire government tenders and contracts.
* To enable business registration.
* To easily acquire funding in form of bank loans.
* To create / maintain / improve the business image in the community.

**(b) Ways of ensuring tax compliance**

* Maintaining accurate business financial records
* Filing tax returns promptly
* Attending workshops on taxation
* Resisting corrupt tax officials
* Registering for taxation with URA

**(c) Ways of minimizing tax evasion in Uganda**

* Carrying out fair tax assessment ie imposing low taxes
* Provision of high quality services by the government to citizens
* Improving wage levels
* Providing sufficient knowledge to the citizens about taxes and their importance.
* Strengthening the tax rules in the economy
* Rewarding compliant tax payers with certificates of recognition.
* Popularizing the government and improving the quality of government in terms of accountability for public revenue.
* Imposing heavy penalties to those who evade taxes
* Rewarding compliant tax payers.

**PART III: P230/2 PROJECT MANAGEMEN**

**81(a) PERFORMANCE APPRAISAL FORM FOR USE DURING**

**EMPLOYEE EVALUATION**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **MD MUKISA DAIRY**  **P.O BOX 151, MUKONO**  **TEL: 0782-779140**   |  | | --- | | **STAFF PERFORMANCE APPRAISAL FORM** |     Period of assessment: From ………………………. To………………….  Section A: Personal Information (TO be filled in by the appraise)  Name of appraise………………………. Salary scale……………………  Job title/Rank …………………………. Salary scale ……………………  Department ………………………………………. Division  Name of Appraiser ………………………Job title ……………………….  Section B assessment of the level of achievement   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Agreed key** |  | **Agreed assessment the appraiser and appraise** | | | | Key output |  | Performance |  | Comments on performance |   **Section c: assessment of core competencies**   |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | Competence | | Assessment performance level attained please tick | | | | | | Comments | | Knowledge and skills  Planning  leadership,  teamwork  time management | | 5 | 4 | 3 | | 1 | N/A |  | | **Section d : action plan to improve performance** | | | | | | | | | | **Performance gap** | **Agreed action** | | | | **Time frame** | | | |   **Section e: Comments, recommendation (if any) and signatures**  Comments of the appraise……………………………………………………  Signature…………………………………………………………………....  Comments of the appraiser………………………………………………..…  Signature……………………..................Date………………………………  Comments of responsible officer……………………………………….….  Name …………………………………………………………….………...  Job title ………………………………………………………………………  Signature………………....................Date………..……………………….. |

(b) **GUIDELINES OBSERVED IN THE BUSINESS TO ENSURE EMPLOYEE RETENTION IN MUKISA DAIRY**

**MUKISA DAIRY**

**P.O.BOX.156, MUKONO**

**TEL: 0782779140**

**GUIDELINES TO BE OBSERVED TO ENSURE EMPLOYEE RETENTION**

* All employees shall be treated with genuine respect at all times.
* Employees shall be supervised in a friendly way.
* Employees shall be paid adequate salaries and timely.
* Employees shall be provided with on job training.
* The business shall put in place good working conditions.
* The business shall provide/ensure job security to the employees.
* Employees’ contributions shall be recognized and appreciated.
* Employees shall be assured to promotions based on merit and good performance.
* Employees shall be allowed to participate in decision making.
* There shall be transparent and open management in the business.
* Employees shall be given fringe benefits
* Employees’ discipline shall be properly and fairly managed
* There shall be open communication in the business
* Employees shall be provided with appropriate counseling whenever its necessary.
* Get together parties shall be organized.

(c) **The communication process flow used in Mukisa Dairy.**

**Mukisa Dairy**

**P.O.BOX. 156, MUKONO**

**TEL: 0782779140**

**COMMUNICATION PROCESS FLOW**

Feedback

Decoding

Encoding

Medium

Receiver

Message

Sender

(d) **MEMO TO THE LINEMANAGERS OF MUKISA DAIRY FOR AN URGENT MEETING ABOUT CUSTOMERS COMPLAIN**

MUKISA DAIRY

P.O.BOX.156, MUKONO

<TEL:0782779140>

**MEMO**

**FROM**: GENERAL MANAGER

**TO**: LINEMANAGERS

**DATE**: 18/9/22

**REF**: GM/LM/18/9/22

SUBJECT: **URGENT MEETING**

I wish to bring it to your attention that we are to have a meeting on 22/9/2022 in the board room starting at 2:00pm to discuss about customers complaints on quality of our dairy products. Keep time. Thank you.

*Kitone Mark*

KITONE MARK

GENERAL MANAGER

**(e) PROGRAMME FOLLOWED TO DEVELOP AN EFFECTIVE SALES PROMOTION FOR THE DAIRY PRODUCT**

**MD MUKISA DAIRY**

**P.O.BOX.156, MUKONO**

[**TEL:0782779140**](TEL:0782779140)

PROGRAMME FOLLOWED FOR DEVELOPING AN EFFECTIVE PROMOTION OF BUSINESS PRODUCTS

|  |  |  |  |
| --- | --- | --- | --- |
| **DATE** | **ACTIVITY** | **PERSON IN**  **CHARGE** | **REMARKS** |
| 14/9/2022 | * Identifying the target audience * Determining the communication objective * Designing the message * Choosing the media * Selecting the message source * Collecting feedback | MUKISA DAIRY |  |

Written by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ fill in approved by\_\_\_\_\_\_\_\_\_\_\_ don’t fill

(f) **GUIDELINES FOLLOWED TO ATTRACT BUSINESS CUSTOMERS FOR MUKISA DAIRY.**

MUKISA DAIRY

P.O.BOX.156, MUKONO

<TEL:0782779140>

GUIDELINES FOLLOWED TO ATTRACT BUSINESS CUSTOMERS

* Personal selling shall be carried out to reach out to different customers
* Sponsorship of public programs shall be embanked on to solicit public support for business products.
* Free samples shall be given to customers to attract others.
* The management shall regularly communicate with customers about business products.
* Non-product value methods like offering after sales services and free parking space shall be provided to customers.
* The business premises shall be annually face lifted to capture attention of customers.
* Cash and trade discounts shall be granted to customers.
* Business products shall be well packaged to improve products image and avoid contamination.
* The business shall offer credit to creditworthy customers to boast sales.
* The business products shall be well displayed to attract customers’ attention.
* Premium and bonus offers shall be granted to regular and large scale customers etc.

**82(a) Label to be placed on a packaging material of fresh juice should contain**

* Name of the product
* Name of the business/manufacturer
* Address of the business
* Business logo.
* Business location.
* Slogan of the business/catching phrase
* Capacity / quantity enclosed.
* Ingredients used or product composition.
* Manufacturing date.
* Expiry date.
* Batch number.
* UNBS Logo.
* NEMA logo.
* Recycling illustration
* Directions regarding usage.
* Catching illustrations or pictures
* Value of the product to people.

(b) **PLAN FOLLOWED IN THE BUSINESS TO RECOVER CREDIT IN SURE JUICE FACTORY.**

**SJF SURE JUICE FACTORY**

**P.O.BOX.100, MITYANA**

[**TEL:0782779140**](TEL:0782779140)

PLAN FOLLOWED TO RECOVER CREDIT

|  |  |  |  |
| --- | --- | --- | --- |
| **DATE** | **ACTIVITY** | **PERSON IN**  **CHARGE** | **REMARKS** |
| Fill in  Starting with current date | * Identifying credit customers * Arranging debtors’ records according to credit periods * Preparing and dispatching polite debt reminders * Collection of payments and updating debtor’s records * Issuing statements of accounts * Sending last reminders to debtors * Compiling and publishing stubborn debtors list * Taking a legal action | Fill in names or  titles | Blank |

Presented by:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Approved by: blank

KUTU SAMUEL

FINANCIAL CONTROLLER

Written by approved by

(C) **SWOT ANALYSIS FOR SURE JUICE FACTORY**

**SURE JUICE FACTORY**

**P.0. BOX. 100, MITYANA**

**TEL: 0782779140**

**SWOT ANALYSIS**

**Strengths include**

* Good management team
* Quality products produced
* Provision of good customer care
* Use of modern technology
* Good communication
* High hygienic standards

**Weaknesses include.**

* Poor time management among workers
* Un co-operative workers
* Limited skills of workers
* Narrow product line
* Inability to finance market changes

**Opportunity include**

* Ready market
* Nearness to a market for fruits which serve as raw materials.
* Location of the business in the city centre
* Legality of business products
* Referrals from medical centres thus possibility of winning tenders.

**Threats include**

* Stiff competition from rivals
* Insecurity in the area
* Increasing costs/prices of inputs.
* High taxes charged by the government
* Rising sale of substitute goods
* Changes in buyers tastes.

Sure juice factory has more strengths and opportunities compared to competitors. It therefore has a competitive advantage over its competitors

(d) **SURE JUICE FACTORY**

**P.0. BOX. 100, MITYANA**

**TEL: 0782779140**

**GUIDELINES FOLLOWED TO PROPERLY MANAGE INVENTORY**

* All materials received shall be documented.
* Storage facilities shall be put in place.
* Adequate storage levels shall be maintained i.e overstocking and under stocking shall be avoided to avoid expiry of products and shortage of materials.
* Stock shall be issued out using FIFO method to avoid expiry.
* Stock shall be bought in bulk to obtain discounts.
* A high re-order level shall be maintained to enable continuity of the production process.
* Stock records shall be maintained by an experienced store keeper.
* Each type of stock shall be kept in a separate room.
* Stock cards shall be prepared to monitor each inventory item received and issued from the store.
* 40% of the working capital shall be invested in inventory to have adequate resources for other business activities.
* The business shall keep low levels of stock with a short shelf life.
* Orders shall be made 3 weeks in advance to provide a safeguard for raw materials delivery time.
* Adequate storage involving use of computer software shall be used to ensure proper inventory management.
* Stock reconciliation shall be done on a monthly basis to sort out discrepancies in inventory.
* The production team shall account for goods produced or bought to have clear updates on inventory.

**(e) Marketing expenses budget followed to further boast business sales**.

SJF **SURE JUICE FACTORY**

**P.O.BOX.100, MITYANA**

**TEL: 0782779140**

**MARKETING EXPENSES BUDGET**

|  |  |  |
| --- | --- | --- |
| **ITEM** | **DESCRIPTION** | **AMOUNT(Shs)** |
| 01.  02.  03.  04.  05.  06.  07. | Printing sign post  Sales persons commissions  Fliers  Radio advertisement  Business cards  Personalized packaging materials  Mobile marketing van. | 600,000  500,000  400,000  500,000  200,000  400,000  5,000,000 |
|  | **TOTAL** | **7,600,000** |

Prepared by……………………………………..

KIRABO JANE

MARKETING MANAGER

**(f) GUIDELINES PUT IN PLACE TO ENSURE PROFIT MAXIMISATION IN SURE JUICE FACTORY**

* Workers shall be paid low wages to minimize costs
* Employees shall be made to work for long hours to increase output produced.
* Fringe benefits given to workers shall be reduced to reduce costs on labour.
* Raw materials shall be bought from cheapest source to reduce operational costs.
* Unnecessary business costs shall be eliminated to increase on cash reserves of the business and increased net profit.
* Few workers shall be employed to reduce the wage bill.
* Business products shall be increased to increase gross profit
* Sales promotion activities shall be carried out to increase sales and profits of the business.
* The business shall sell its products mainly on cash basis to reduce losses due to bad debts.
* The quality of products produced shall be improved so as to charge prices to increase profits.

**(g) A delivery note designed for business use should consider the following:**

* Suitable heading
* Business name, address, contact and suitable statement.
* Business logo
* Document identity ie Delivery note
* Provision for date
* Provision for delivery note number
* Provision for the addressee (receiver of goods)
* Table showing:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ITEM NO** | **QUANTUTY** | **DESCRIPTION** | **RATE** | **AMOUNT** |
|  |  |  |  |  |
|  |  | **TOTAL** |  |  |

* Statement showing that all goods received are in good order and condition
* Provision for: provision for:

Delivered by Approved by:

Signed: Signature:

Name: Name:

Title: Title:

* Frame

***Note: it should not be filed in***

**83(a) KIRABO FURNITURE WORKSHOP**

**P.O BOX 900, MITY ANA**

**TEL: 0782779140**

**PROSPECTUS**

* **Caution statement**. On 20th July 2019, capital markets authority approved application and granted Kirabo furniture workshop to issue shares at the initial public offering. However, it does not guarantee quality of the company products and is not liable for inaccuracy of the prospectus.
* **Purpose of issue**. To increase equity and proceeds used to expand the business, reduce costs associated with debt financing
* Statement of legal status and affairs of the issuer. Kirabo furniture workshop is a public limited company, limited by shares. It is located in Mityana municipality in Zigoti. It holds 100 % of the company shares.
* **Rights of shareholders** are Right to attend general meetings, right to buy or sell shares in the company, right to receive dividends and interest on debentures help in the company annually.
* **Directors and employees.** The company employs 40 workers and 5 directors.
* History of the company. It has been operating as a publio limited company with both ordinary and preference shares. It wants to raise shs. 10,000,000 from the sale of ordinary shares and shs.5000000 from the sale of preference shares.
* **Risk factors** include sha11age of capital for expansion, high taxes and counterfeit products
* **Financial statements**. The cash flow statement income statement and balance sheet for the past 3 years has been attached.
* **Loan/debt profile.** It has an outstanding loan of shs.4000000 in centenary bank
* **Information on bankers.** Its bankers are centenary bank and stanbic bank.
* **Policy on dividends and future development**. 20% of dividends is retained to increase its entity. Dividends of 12000000 shillings have been shared in the past. It has a plan of expanding the production capacity by subscribing for more share capital.

Written by :…………………………………

**KAWUJJO MEDI**

**COMPANY SECRETARY**

**(b) A SHARE CERTIFICATE TO BE ISSUED TO SHAREHOLDERS OF KIRABO** **FURNITURE WORKSHOP**

**KIRABO FURNITURE WORKSHOP**

**P.O BOX 900, MITYANA**

**TEL: 0782-779140 JI**

**SHARE CERTIFICATE**

Registered capital of shs ……………divided into…………………………………………………….…

Shares of shs400each…………………………………………………………………………………………..

Certificate No:…………………………………………………………………………………………….…

This is to certify that:……………………………………………………………………………………...

Name:………………………………………………………………………………………….……………

Address:……………………………………………………………………………………….………………

Occupation…………………………………………………………………………………………………

Is a registered holder of……………………………………………………: ordinary Shares numbered from………….. to……………………... inclusive of Ug. shs four Hundred each fully paid in the above named company subject to the memorandum

and articles there of

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Transfer no** | **No. of shares** | **Numbered** | |
|  |  |  | From | To |
|  |  |  |  |  |

**Note: No transfer can be registered unless accompanied by this Certificate.**

Given under the common seal of the company this……………………day Of………………………. 20…..

For and on behalf of Mukisa Furniture Workshop

**CHAIRMAN BOARD OF DIRECTORS ……. seal COMPANY SECRETARY……**

**(C)** **KIRABO FURNITURE WORKSHOP**

**P.O BOX 900, MITYANA**

**TEL: 0782779140**

**PRODUCTION PLAN**

1. **Business premises and location:** The business is located near Mityana Diocese, Mityana Municipality: -Mityana District. The site chosen is accessible and it is near many schools thus there is steady market for furniture. The premises are rented at a cost of shs, 3000000 per year with dimensions of 120-meter length by 80 meters’ width.
2. **Manufacturing process and flow.** Blessed beverage processing factory produce high quality furniture. Basing on the project demand it produces 200 tables, 500 chairs, 600 beds and 100 coffins per week.

Planning

timber

Varnishing

Journey

Cutting

timber

Drying

Storing

Selling

1. **Choice of machinery and equipment.** The business use both power driven and hand operated machines. Including saws, pincers, planning machines, cramps, chisels, hammers, drillers. All these are brought from Nakasero-Kampala at a total cost of shs.l5000000
2. **Raw materials and consumables.** The business uses timber as the main raw material and consumables including nails, varnish, nuts, and wood glue. Consumables are bought from Kiyembe-Kampala at a total cost of shs 4000000 while timber is obtained from Mubende at a cost of shs 6000000 per month
3. (v) **Labour requirements.** The business employs 6 workers including a general manager, technical, financial controller Ii and 2 assistant technicians and one casual worker. The manager holds a bachelor's degree in business administration technician holds a diploma in carpentry and joinery, assistants hold certificates in carpentry, financial manager holds diploma in accounting and casual worker has UCE certificate. The salaries are

Manager 400000 per month

Financial manager 300000 per month

Technician 300000

Assistants 250000

Casual worker 150000

1. **Power and utilities.** The business uses electricity and diesel for a stand by generator. The cost shs 1000000 monthly
2. **Transport.** It has its own transport means for raw materials and finished goods to the show room. The pick-up consumes shs. 600000 per month on fuel.
3. **Waste disposal.** Its waste products include wood shavings and saw dust. These are sold to poultry farmers to use as litter in the poultry houses.
4. **Other facilities** required include 5 office chairs, one computer and stationery. These cost shs. 4,000,000.
5. **Packaging.** The coffins and office chairs are covered with polythene to avoid dust. This costs shs.200000 per week.
6. **Purchasing and re-order level plans.** The business buys its materials in bulk to obtained discounts. Re-order level is half of the total quantity used per month.

**(d) Application form used in recruitment of the required personnel**

**KIRABO FURNITURE WORKSHOP**

**P.O BOX 900, MITYANA**

**TEL: 0782-77140**

**APPLICATION FOR APPOINTMENT IN KIRABO FURNITURE WORKSHOP**

**Fill in this triplicate and send it direct to the human resource**

**Manager KIRABO FURNITURE P.O BOX 900, MITYANA**

1. Post/appointment applied for

(i) Ref No………………………………………………………………………………………………………….

2. (i) Full name(s)……………………....Sur name(s) ……………………………………………………..……

(ii) Date of birth……………………… Gender………………………………………………………………

(iii) Home District…………………….. Permanent address…………………………………………………….

3. Fathers/Guardians name……………………. .Nationality…………………………………………………….

4. School College University attended

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| School/college  Institution/university | Year | From | Qualification  Obtained | Grade |
|  |  |  |  |  |
|  |  |  |  |  |

5. When would you be available for appointment if selected………………………………………………

6. Have you ever been convicted of any criminal offence? If so given details including sentence imposed……………………………………………………………………………………………………….

7. I hereby declare to the knowledge and belief that the particulars given in this application are true and complete in all aspects.

Date………………………………………. Signed …………………………………………………………...

Names ……………………………………………………………………………………………..…

**Referees**

1………………………………………………2…………………………………………………….… Address……………………………Address……………………………………………………………………..

8. Assessment of the candidates' suitability for appointment to the post applied for by the former employer/Head of institutions/university.

OFFICIAL STAMP………………………………………

**Director/Principal/General Manager**

**(e) KIRABO FURNITURE WORKSHOP**

**P.O BOX 900, MITYANA**

**TEL: 0782779140**

**GUIDELINES FOR ENSURING GENDER PARTNERSHIP**

* Each member shall be justly rewarded for his or her services.
* There shall be no threats of exploitation or victimization
* Participants shall be aware of their own membership and that of others.
* Each member shall get satisfaction from participating in any activities taking place.
* There shall be a two-way communication
* Each member shall strive to communicate his/her feelings and ideas as clearly and accurately as possible.
* The development of each member shall be enhanced.

**(f) Organizational plan for Kirabo furniture Workshop**

**KIRABO FURNITURE WORKSHOP**

**P.O BOX 900, MITYANA**

**TEL: 0782779140**

**ORGANIZATIONAL PLAN**

* **Number of employees in the business;** there are eight (8) employees working in Unique Bakery Ltd including the General Manager, financial manager, sales manager, human resource manager, production manager and three casual workers.
* **Duties and responsibilities of the workers**. The general manager is in charge of J general administration of the business, financial manager is in charge of handling, business financial matters, sales manager - to ensure that business products are sold, Human resource manager-Recruitment of workers, production manager-to monitor production of the business products and operation of machines and casual workers are in charge of cleaning the work place and vanishing furniture wading and offloading.
* **Knowledge and skills of the workers;** Computer literacy is paramount for all the employees/ workers
* **Qualifications of the workers.** The general manager holds a Bachelor’s degree in Business administration, Financial Manager - Bachelor’s degree in Accounting and Finance, Sales manager - Bachelor’s degree in Marketing, Production manager- Bachelor’s degree in production management and casual works- Advanced level certificate.
* **Remuneration;** The table below shows the salary of workers per month

|  |  |  |
| --- | --- | --- |
| **Position** | **Quantity** | **Amount (Shs)** |
| General manager  Financial manager  Sales manager  Human resource manager  Production manager  Casual workers | 1  1  1  1  1  3 | 1,000,000  500,000  500,000  500,000  500,000  @100,000= 300,000 |
| **TOTAL** |  | **3,300,000** |

* **Fringe benefits:** General Manager, Financial manager, Sales manager, Human resource manager are given housing, transport and medical allowances receive only housing allowances and casual workers receive only housing allowances.
* **Monitoring and evaluation of workers’ performance.**

The general manager monitors the performance of the workers and they are evaluated through performance appraisal on a monthly basis.

* **Organizational chart/structure**

**Organizational structure; The organization chart below indicates the reporting line**

GENERAL MANAGER

CANSUAL WORKERS

PRODUCTION

MANAGER

SALES

MANAGER

FINANCIAL

MANAGER

HUMAN

RESOURCE

MANAGER

**(g) Workers payroll for the current month should include the following;**

- Title including business name, address and a phrase payroll for the month of………….

Logo **BUSINESS NAME**

**Address, contacts**

**WORKERS’ PAYROLL FOR THE MONTHS OF** \_\_\_\_\_

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| NAME OF  EMPLOYEE | EMPL.  NO | BASIC  PAY(SHS) | ALLOWANCES | | GROSS  PAY(shs) | DEDUCTIONS | | NET PAY (shs) |
| Fill in Names of workers  (avoid one  Name) |  | Fill in Basic Salary |  |  | Obtained after adding Basic + allowance |  |  | Got after subtracting Gross pay deductions |

Presented by: Signature Approved by\_\_\_\_\_\_\_\_\_\_\_ Date\_\_\_\_\_\_\_\_

Name

Title

***Note: All Columns should be filled in.***

1. (a) NEWSPAPER ADVERT TO PUBLICISE PRETTY UNISEX SALON

**PRETTY UNISEX SALON**

**P.O BOX 123, MUKONO**

**TEL: 0782779140**

Dealers in salon services, Hair dressing, plaiting, pedicure, manicure, massage and other hair services.

Located in Mukono town near Collins Hotel

***Try us for the insurance of your beauty.***

WEEKLY WORK SCHEDULE FOR WORKERS OF PRETTY UNISEX SALON

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **PRETTY UNISEX SALON**  **P.O BOX 123, MUKONO**  **TEL: 0782779140**  **WEEKLY WORK SCHEDULE** | | | | | | |
| **Day** | **Name of Employee** | **Description of Work** | **Employee No.** | **Start Time** | **End Time** | **Remarks** |
| Monday | Kitone Dniela  Kirabo Mike  Mukisa Dan | Treaming  Treaming  Scrubbing | 01  02  03 | 8:00am  8:00am  8:30am | 8:00pm  8:00pm  7:50pm |  |
| Tuesday | Mbuyaga Tom  Kamye Martin  Muto Brenda | Massaging  Plaiting  Treaming | 04  05  06 | 1:00am  9:00am  11:00am | 6:00pm  7:00pm  1:15pm |  |
| Wednesday | Zari Jane  Kula Anne  Kizito Bonny | Plaiting  Treaming  Scrubbing | 07  08  09 | 8:00am  10:30am  2:00pm | 10:00am  1:50pm  6:50pm |  |
| Thursday | Mucuzi Fausta  Kisakye Benjamin  Kirabo Grace | Plaiting  Treaming  Scrubbing | 10  11  12 | 7:00am  9:50am  12:30pm | 9:00am  12:06pm  6:00pm |  |
| Friday | Mbuyaga Tom  Kamuje Martin  Kula Anne  Kizito Bonny | Treaming  Scrubbing  Plainting  Treaming | 04  05  08  09 | 7:00am  8:00am  10:30am  2:00pm | 12:50am  10:00pm  1:15pm  6:00pm |  |
| Written by; …………………………………….. Approved by; …………………………….  KIBULAMU ANGELLAH …………………………….  PRODUCTION MANAGER ……………………………. | | | | | | |

(c) **PRETTY UNISEX SALON**

**P.O BOX 123, MUKONO** **TEL: 0782779140**

**MARKETING PLAN**

1. **Target market.** The target market includes residents of Mukono town, students of Uganda Christian University and neighbouring trading centres. All these need saloon services weekly.
2. **Services offered** include plaiting, treaming, scrub, massage, pedicure and manicure.
3. **Position of competitors**. The business competitors include Desire Unisex Saloon near the taxi park and Kilungo beauty center near Centenary bank in Mukono town all these overcharge customers. Pretty Unisex Saloon overtakes them by charging lower prices.
4. **Pricing strategies**. The prices are set basing on the demand for the different hair styles and the costs of inputs.
5. **The terms of sale**. The business strictly offers its services on cash basis.
6. **Channels of distribution**. The business offers direct services to customers who visit the business at its premises.
7. **Promotion and advertising**. The promotional objectives are, to increase sales by 40% in eight months, to increase profits by 15% in 6 months. The promotional strategies include offering high quality services, persuasive advertising and charging lower prices.
8. **Projected marketing expenses**. The business projects to spend shs 400,000 on fliers and posters.
9. **Expected sales**. The business expects sales revenue of shs 8,000,000 per month.

(d) PROMISORY NOTE TO A SUPPLIER OF INPUTS TO PETTY UNISEX SALOON

**PRETTY UNISEX SALON**

**P.O BOX 123, MUKONO**

**TEL: 0782779140**

Date: 5th October, 2019

Three weeks after his date, we promise to pay Elegant traders or their order a sum of shillings traders or three hundred thousand (300,000/=) value received.

Issued by ………………………….

KITIIBWA SUSAN

FINANCIAL MANAGER

**PROMISORY NOTE**

(e) **POLICIES FOLLOWED TO ENSURE GOOD WORKING RELATIONSHIP**

**WITH EMPLOYEES IN PRETTY UNISEX SALOON.**

**PRETTY UNISEX SALOON**

**P.O BOX 123, MUKONO**

**TEL: 0782799140**

**POLICIES TO ENSURE GOOD WORKING RELATIONSHIP WITH EMPLOYEES**

1. Proper communication shall be ensured for transparency.
2. Managers shall exhibit empathy when dealing with employees to understand their problems.
3. Workers shall be properly motivated to boast their morale.
4. Workers shall be treated with respect and dignity.
5. Proper ways of handling workers’ grievances shall be put in place to satisfy both affected parties.
6. Managers’ shall exhibit good leadership and management by leading by example.
7. Favourable working environment shall be created to enable job satisfaction by employees.
8. The managers and supervisors shall know all workers well and address them by their names for better networking and identity.
9. Management shall enable workers to attain their basic needs to promote economic satisfaction of workers.

(f) Budget for operating expenses of the business should bring out the following.

* Heading with business name and amount to use

**Logo**

Business Name

Address

Contacts

|  |  |
| --- | --- |
| DETAILS | SHS |
| Rent  Stationery  Wages and salaries  Telephone costs  Audit expenses  Communication expenses  Repairs of machines  Fuel  Meals  Cleaning  Insurance  Transport  Advertising  Market research costs  Detergents  Training of labour  Decoration costs  Taxes | xx  xx  xx  xx  xx  xx  xx  xx  xx  xx  xx  xx  xx  xx  xx  xx  xx  xx |

Note: Fill in the amounts.

**BUDGET FOR OPERATING EXPENSES**

1. (a) A MANAGING TOOL FOR IMPLEMENTATION OF DESIRE COOKING OIL ENTERPRISES

**DESIRE COOKING OIL ENTERPRISES**

**P.O BOX 345 KAMPALA**

**TEL: 0782779140**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ACTIVITY** | **TIME FRAME** | **RESOURCES NEEDED** | **INDICATORS OF SUCCESS** | **PERSON IN CHARGE** | **REMARKS** |
| Receiving the donation | 1 week | Business plan | Funds obtained | Ayo Mary |  |
| Constructing buildings | 4 months | Building materials labour funds | Building constructed | Akello Jane |  |
| Installing machines | 1 month | Funds | Machines installed | Ajuna Loy |  |
| Installing utilities | 1week | Funds | Utilities installed | Abola Ana |  |
| Recruiting labour | 1 month | Funds | Labour recruited | Ayo Mary |  |
| Purchasing raw materials | 1 week | Funds | Materials bought | Atidi Ana |  |
| Training workers | 1 month | Funds | Workers skills | Ayo Mary |  |
| Carrying out trial run | 1 week | Materials | Products produced | Ayoma George |  |
| Commencing normal operations | 2 days | Labour materials funds | Products produced | All workers |  |

Prepared by; …………………………………….. Approved by; …………………………….

MUGUME RICHARD …………………………….

FINANCIAL MANAGER …………………………….

(b) FINANCIAL PLAN FOR DESIRE COOKING OIL ENTERPRISE GIVEN A DONATION OF SHS 10,000,000

**DESIRE COOKING OIL ENTERPRISES**

**P.O BOX 345, KAMPALA**

**TEL: 0782779140**

|  |  |  |
| --- | --- | --- |
| DETAILS | UNIT COST (SHS) | TOTAL COST (SHS) |
| (i) FIXED CAPITAL  Buying land  Construction of buildings  Purchase of machines  Purchase of furniture  (ii) START – UP EXPENSES  Installation of utilities  Installation of machinery  (iii) WORKING CAPITAL  Raw materials and other inputs  Labour costs  Marketing expenses  Utility bills  Transport costs  Insurance  TOTAL | 500,000  1,500,000  1,000,000  500,000  300,000  500,000  2,000,000  1,000,000  500,000  1,000,000  200,000  1,000,000 | 3,500,000  800,000  5,700,000  10,000,000 |

**FINANCIAL PLAN FOR THE ENTERPRISE**

(iv) Financing of the business. The source of funds is a donation from private sector foundation.

(v) Estimated total sales per month is shs 14,000,000

(vi) Estimated net profit is shs 6,000,000 per month

(vii) Estimated cash flows per month shs 17,000,000

(viii) Rate of return on investment

= x 100

= x 100

= 60%

(ix) Break even analysis = x 100

= x 100

= x 100

= 42%

(c) WORK ORDER FORM USED IN DESIRE COOKING OIL ENTERPRISE

**DESIRE COOKING OIL ENTERPRISES**

**P.O BOX 345 KAMPALA**

**TEL: 0782779140**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name and address of Customer** | **Work order No.** | **Work Description** | **Vehicle Description** | **Employee Responsible** | **Start time and date** | **End time** | **Total cost** | **Remarks** |
|  |  |  |  |  |  |  |  |  |

Designed by; Signature ……………………….. Approved by; Signature…………………………….

Name: …………..……………………………. Name: ……………………………….

Title: …………………………………………… Title: …………………………………

**WORK ORDER FORM**

(d) MISSION STATEMENT FOR DESIRE COOKING OIL ENTERPRISE

“To improve people’s diet through providing high quality edible oil at reduced prices”

**GOALS**

1. To increase output by 40% in 3 years.
2. To increase sales by 50% in 5 years.
3. To increase profits by 30% in 2 years.
4. To reduce production costs by 15% in 2 years.
5. To open up 1 branch in 4 years.

**OBJECTIVES**

1. To increase sales by 10% in 1 year.
2. To increase profits by 5% in 6 months.
3. To reduce production costs by 5% in 8 months.

(e) Guidelines to be followed to improve the level of tax compliance in Desire Cooking Oil Enterprise.

**DESIRE COOKING OIL ENTERPRISES**

**P.O BOX 345 KAMPALA**

**TEL: 0782779140**

GUIDELINES TO BE FOLLOWED TO IMPROVE LEVELS OF TAX COMPLIANCE

1. Proper business records shall be maintained for proper tax assessment.
2. Tax returns shall be remitted promptly to the tax authorities.
3. Tax education and workshops on taxes shall be obtained to increase awareness on tax matters.
4. Corrupt tax officials shall be resisted to minimize under taxation.
5. Monthly tax returns shall be filled to relevant authorities for proper tax payment.

(f) WELFARE MANAGEMENT POLICY FOR DESIRE COOKING OIL ENTERPRISE

**DESIRE COOKING OIL ENTERPRISES**

**P.O BOX 345 KAMPALA**

**TEL: 0782779140**

WELFARE MANAGEMENT POLICY

1. Cool and safe drinking water shall be provided to workers.
2. Sanitary facilities shall be put close to the work area with detergents and shall be regularly cleaned.
3. Separate toilets shall be provided to both male and female workers.
4. Resting time and a resting place shall be given to workers.
5. Management shall gazette a separate, comfortable and hygienic place for meals.
6. First aid shall be provided to all workers by a qualified first aider.
7. Company uniform / corporate wears shall be provided to all workers.
8. Working incentives like music shall be provided to workers during working time to keep their minds awake.
9. Recreational facilities like sports fields shall be provided and workers shall be motivated to use them.
10. Walk ways for disabled workers and passage ways for other workers shall be gazatted to facilitate interdepartmental movements.
11. Appropriate insurance schemes like accident insurance shall be provided to workers.
12. Worship / prayer rooms or places shall be allocated to workers.
13. Guidance and counselling services shall be provided to workers to keep their morale high.

(g) MARKETING EXPENSES BUDGET

|  |  |
| --- | --- |
| UNIQUE SHOE MAKERS ENTERPRISE  P.O BOX 50, MUKONO  TEL: 0772505050  MARKETING EXPENSES BUDGET | |
| Details / Particulars | Amount |
| * Marketing research costs * Transport and distribution costs. * Selling expenses / salaries to sales workers. * Packaging expenses / packaging materials. * Product storage costs. * Promotion / Advertising costs. * Marketing administrative costs. * Marketing communication expenses / costs * Product improvement costs. * Customer follow – up costs.   Total projected marketing expenses | Shs  xx  xx  xx  xx  xx  xx  xx  xx  xx  xx  xx  xx  xxxx |
| Designed by; Signature ……………………….. Approved by; Signature…………………….  MUKASA PATO Name: ………………………….  MARKETING MANAGER Title: …………...……………… | |

1. (a) Capital expenditure budget should capture the following.

* Title including the business name, address and a phrase: CAPITAL EXPENDITURE BUDGET.

**Business Name**

**Address**

**Contacts**

|  |  |  |  |
| --- | --- | --- | --- |
| **DETAILS / ITEM / DESCRIPTION** | **QUANTITY** | **UNIT COST / PRICE (SHS)** | **AMOUNT**  **(SHS)** |
| Acquisition of land  Building and construction  Purchase of motor vehicle  Purchase of office furniture  Purchase of fixtures and fittings  Purchase of computers and accessories  Purchase of tools and equipment  Etc |  |  | xx  xx  xx  xx  xx  xx  xx  xx |
| TOTAL |  |  | 15,000,000 |

NB: The total must not exceed shs 15,000,000

**Logo**

**CAPITAL EXPENDITURE BUDGET**

(b) **Guidelines to ensure proper cash management should include the following:**

1. Title including business name, address and a statement: GUIDELINES TO ENSURE PROPER MANAGEMENT OF CASH.
2. All payments shall be fully authorized and approved by the financial manager.
3. All cash received and paid out shall be properly documented / recorded in the cashbook.
4. All cash in the business premises shall be kept in a lockable safe.
5. All cash received shall be banked intact.
6. Proper financial records shall be made.
7. Proper internal control system shall be put in place including specification of duties and monthly auditing.
8. All cash paid out / spent shall be accounted.
9. Money to and from the bank shall be guarded by armed security guards.
10. Business cash shall be spent according to votes.
11. No cash of the business shall be spent on personal / private matters of the proprietors.
12. Bank reconciliation statements shall be prepared on a monthly basis to bring into agreement the cashbook balances with bank statement balances.
13. Equipment for counting money shall be installed to minimize errors.
14. A money detector shall be installed to avoid receiving counterfeit notes and coins.
15. Documents related to cash shall be kept properly.

(c) Programme for determining the profitability of the business should bring out the following.

* Heading i.e PROGRAMME TO BE FOLLOWED TO ESTABLISH THE PROFITABILITY OF XXX BAKERY

**Logo**

**Business Name**

**Address**

**Contacts**

|  |  |  |  |
| --- | --- | --- | --- |
| **DATE** | **ACTIVITY** | **PERSON IN CHARGE** | **REMARKS** |
| Fill in starting with current date | 1. Deciding on the nature of business. 2. Choosing location of the business. 3. Forecasting sales. 4. Estimating costs. 5. Estimating profits. | Fill in names or titles | Leave it bank |

Made by; Kato Tonny Approved by; Signature…………………….

KATO TONNY Name: ……………………… Blank

SALES MANAGER Title: …………...………………

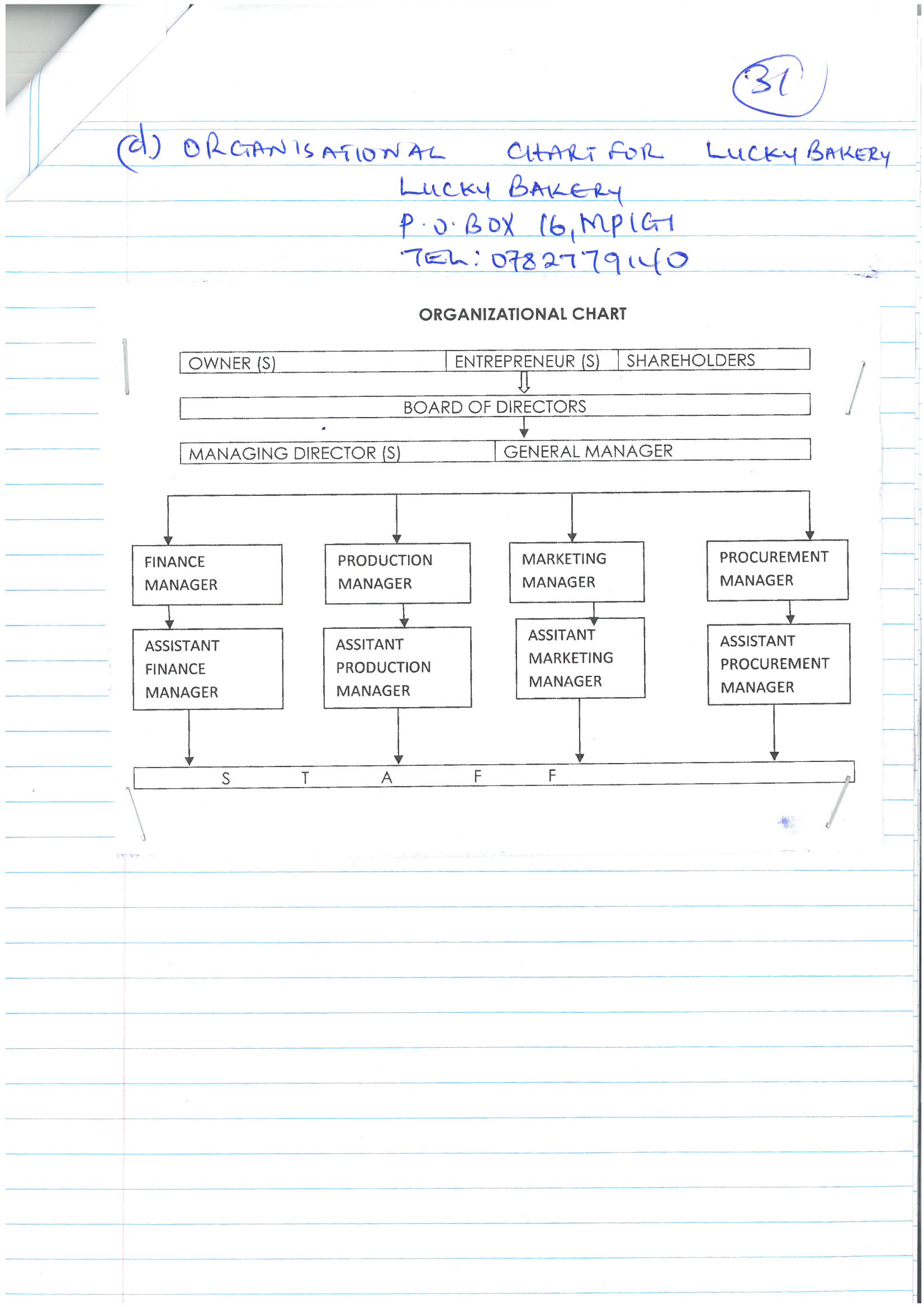
**PROGRAMME FOR ESTABLISHING BUSINESS PROFITABILITY**

(d) ORGANISATIONAL CHART FOR LUCKY BAKERY

LUCKY BAKERY

P.O BOX 16, MPIGI

TEL: 0782779140



(e) Strategies for diversifying Lucky Bakery

LUCKY BAKERY

P.O BOX 16, MPIGI

TEL: 0782779140

**STRATEGIES FOR DIVERSIFYING THE BUSINESS**

1. Opening up more branches in other parts of the country.
2. Expanding the lines of operation to include snacks.
3. Adding a department of confectionery.
4. Establishing a poultry farm to provide inputs (eggs) to the bakery.
5. Obtaining transport means to offer delivery services to customers.
6. Producing variety of bakery products in different sizes and brands.
7. (a) **HOPE AGRICULTURAL TRADING STORE**

**P.O BOX 519, MPIGI**

**TEL: 0782779140**

**GUIDELINES FOR ENSURING BUSINESS SUCCESS**

1. Good leadership and management shall be exhibited.
2. Clear objectives shall be set and closely followed.
3. Efficient and effective planning shall be carried out.
4. Appropriate location shall be ensured.
5. Support service shall be used.
6. Advertising shall be done to increase sales and create awareness.
7. Government policies and laws concerning business shall be followed.
8. Monitoring of the business operations shall be carried out.
9. Good customer care shall be exhibited towards customers.
10. High quality products shall be produced to increase sales.
11. Proper books of accounts shall be prepared to keep track of business progress.
12. Products shall be sold on cash basis to minimize bad debts.
13. Tight security at the produce store shall be maintained to avoid theft of stock.
14. Interference of family members in the business shall be controlled.
15. Appropriate inventory levels shall be maintained.
16. Continuous innovations shall be carried out to remain competitive on the market.
17. Calculated / moderate risks shall be taken to minimize failure.

(b) A STOCK REQUISITION FORM USED IN STORE AGRICULTURAL TRADING STORE

**HOPE AGRICULTURE TRADING STORE**

**P.O BOX 519, MPIGI**

**TEL: 0782779140**

|  |  |  |  |
| --- | --- | --- | --- |
| **NO. ……………………………………………. Department ……………………………………….**  **Date …………………………………………….** | | | |
| **Description of materials** | **Quantity** | **Rate** | **Value** |
|  |  |  |  |

Authorized by ………………………………….

Supplied from Bin No …………………………

Materials received by ………………………….

Entered in Bin Card by ………………………..

Sign: ……………………… Approved by; …………………….

Name: ……………………. ………………………

STORE KEEPER ……...………………

**STOCK REQUISITION FORM**

**HATS**

(c) BID NOTICE FOR THE SUPPLY OF BEANS TO THE STORE

**HOPE AGRICULTURE TRADING STORE**

**P.O BOX 519, MPIGI**

**TEL: 0782779140**

**DATE: 5th/10/2019**

To the General public

**RE: TENDER FOR SUPPLY OF BEANS**

Hope agriculture trading store is a medium sized business dealing in sale of agricultural produce including beans and other agricultural products located in Mpigi behind Butakara house.

The procurement officer and the managing director Hope agriculture trading store invites sealed bids from eligible bidders for the supply of beans to the enterprise. Bidders are required to submit documents in triplicate to the procurement unit room No. 45 Gomba Road not later than 8th October 2019.

Bid opening will be Monday 21st October 2019 in the company Dining hall at 12:00noon. The pre-qualification document is obtained from the office of the procurement officer on payment of a nonrefundable fee of shs 100,000/= (one hundred thousand shillings)

Written by………………………..

SWAGG JOHN

PROCUREMENT OFFICER

Note: A bid notice / Tender should contain the following areas.

1. Name and address of the business.
2. Date of placing the advert.
3. The recipient
4. Reason for writing
5. BODY: Reflecting the following

* Simple background of the business.
* Size of the business.
* Products dealt in.
* Officer placing the Bid.
* What items are bidders required to offer.
* Specification of the type required.
* Where documents are to be submitted.
* Deadline for submission.
* Bid opening date, time and venue
* Venue for obtaining pre-qualification document.
* Indicate non-refundable fee to be paid.
* Nature of bidding when domestic or international.

1. Prepared by: Signature

Name

Title

Note: It should be framed.

(d) OPERATIONAL BUDGET FOR HOPE AGRICULTURAL TRADING STORE

**HOPE AGRICULTURE TRADING STORE**

**P.O BOX 519, MPIGI**

**TEL: 0782779140**

|  |  |  |
| --- | --- | --- |
| **DETAILS** | **SHS** | **SHS** |
| Sales  Less cost of sales  Purchase of stock  Transport costs  Packaging materials  **Gross profit**  Less: Selling general & admin. Exp  Marketing costs  Salaries  Utilities  Net profit before tax  Less tax 30%  Net profit after tax | 32,000,000  2,000,000  1,000,000  7,600,000  1,400,000  1,000,000 | 60,000,000  35,000,000  25,000,000  10,000,000  15,000,000  4,500,000  10,500,000 |

**OPERATIONAL BUDGET**

(e) POLICIES FOR DEVELOPING AN EFFECTIVE MARKETING STRATEGY

**HOPE AGRICULTURAL TRADING STORE**

**P.O BOX 519, MPIGI**

**TEL: 0782779140**

GUIDELINES FOR DEVELOPING AN EFFECTIVE MARKETING STRATEGY

1. The business shall network with people in different areas to get market information.
2. The management shall provide new information about the business through writings like brochures in case of change of location.
3. The marketing team shall call customers or approach them and discuss about the products and how to improve them.
4. Management shall provide free information to its customers and those interested so as to widen awareness.
5. The business shall continuously advertise its products to create awareness.
6. Customers shall be allowed to bargain for affordable prices to attract them and empower them.
7. Management shall give guarantees and warrantees to customers so that incase of any fault within a stipulated time.
8. It is replaced free of charge.
9. Old customers shall be encouraged to refer new customers to the business and promise them a discount / offer to increase sales.
10. Customers shall be guided to reach the right decision to increase sales.
11. The management shall attractively display its products to attract customers.
12. (a) THEORY OF CHANGE FOR BLESSED TEXTILE SOCIAL ENTERPRISE

**BLESSED TEXTILE SOCIAL ENTERPRISE**

**P.O BOX 132, LUWEERO**

**TEL: 0782779140**

Vision : To eradicate poverty in the community

Impact : Reduced levels of unemployment

Outcomes : 50% of the youths trained per month

Output : Schools uniforms, suits, shirts / ladies garment, sweaters

Activities : Training, sewing, counselling

Inputs : Funds, torturing machines, trainers, buildings

Written by

…………………………..

PATRICK BASAJJAKUBULA

SOCIAL ENTREPRENEUR

**THEORY OF CHANGE**

(b) GEPIC STRUCTURE FOR ADVOCACY AGAINST POVERTY BY BLESSED TEXTILE SOCIAL ENTERPRISE

1. **Greeting**: the chief guest, invited guests and community members present, I greet you all.
2. **Engage**: three weeks ago a woman in Nakaseke central killed her child due to severe beating for having stolen a shs 500 coin that was meant for a day’s family survival.
3. **Problem**. This was as a result of poverty. The child was hungry and the family lacked a source of income. The main cause of deaths today is poverty.
4. **Inform.** As concerned community members, we have established a tailoring business to skill the youth and donate a tailoring machine to every graduate. It offers both tailoring services and training and it is funded by the government.
5. **Call to action**. We kindly request for your cooperation, send the youths to our tailoring business and all the unemployed people to be skilled so as to fight poverty.

(c) A one – day training program for new workers.

**BLESSED TEXTILE SOCIAL ENTERPRISE**

**P.O BOX 132, LUWEERO**

**TEL: 0782779140**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DATE** | **TIME** | **ACTIVITY** | **PERSON IN CHARGE** | **REMARK** |
| 6/9/2019 | 8:00am | Preparing the venue | Receptionist |  |
|  | 9:00am | Registering and assembling of participants | Human resource manager |  |
|  | 9:30am | Singing anthems and saying prayers | Mobilizers |  |
|  | 10:00am | Giving opening and welcoming remarks | Quality controller |  |
|  | 10:30am | Introduction of participants | All participants |  |
|  |  | Presentation and demonstration by facilitators and discussions and reactions | Facilitators |  |
|  | 11:30am | Tea break | All participants |  |
|  | 12:05pm | Field trip and practical application of the kills by the trainees / participants | All trainees |  |
|  | 2:00pm | Awarding of certificates | Managing director |  |
|  | 2:00pm | Closing remarks, closing prayer and anthems | Participants and facilitators |  |

Prepared by; ……………………. Approved by; …………………….

MESE GERALD ………………………

HUMAN RESOURCE …………...………………

**ONE DAY TRAINING PROGRAMME FOR WORKERS**

(d) BLESSED TEXTILE SOCIAL ENTERPRISE

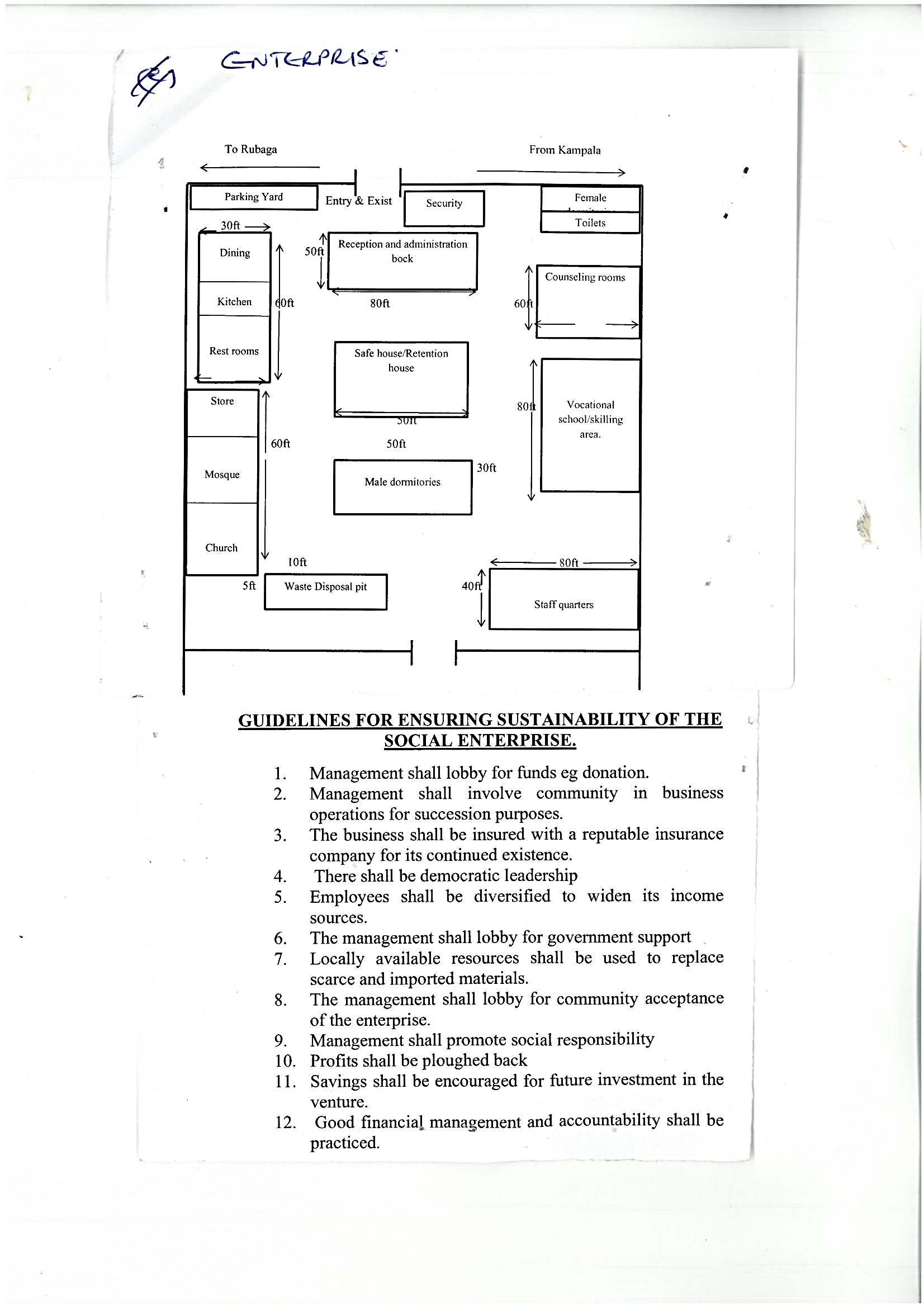
P.O BOX 132, LUWEERO

TEL: 0782779140

GUIDELINES FOR PROMOTING INNOVATION

1. Change shall be expected to improve quality of products.
2. New rules shall be implemented to attain a competitive advantage.
3. Improved service delivery shall be ensured to cope with competition.
4. Performance indicators shall be measured to realise progress levels.
5. Thinking shall be done on a global level to widen scope of operation.
6. Things shall be made to happen and failure shall be accepted so as to bring about improvement.
7. Strategies shall be implemented faster to ensure market growth.
8. Barriers shall be avoided to ensure success.
9. Innovative strategies shall be developed to promote consistent innovation.
10. Learning shall be always done and turned into new products services for sustainability.

(e) SITE PLAN FOR BLESSED TEXTILE SOCIAL ENTERPRISE



(f) POLICY FOR ENSURING SUSTAINABILITY OF BLESSED TEXTILE SOCIAL ENTERPRISE

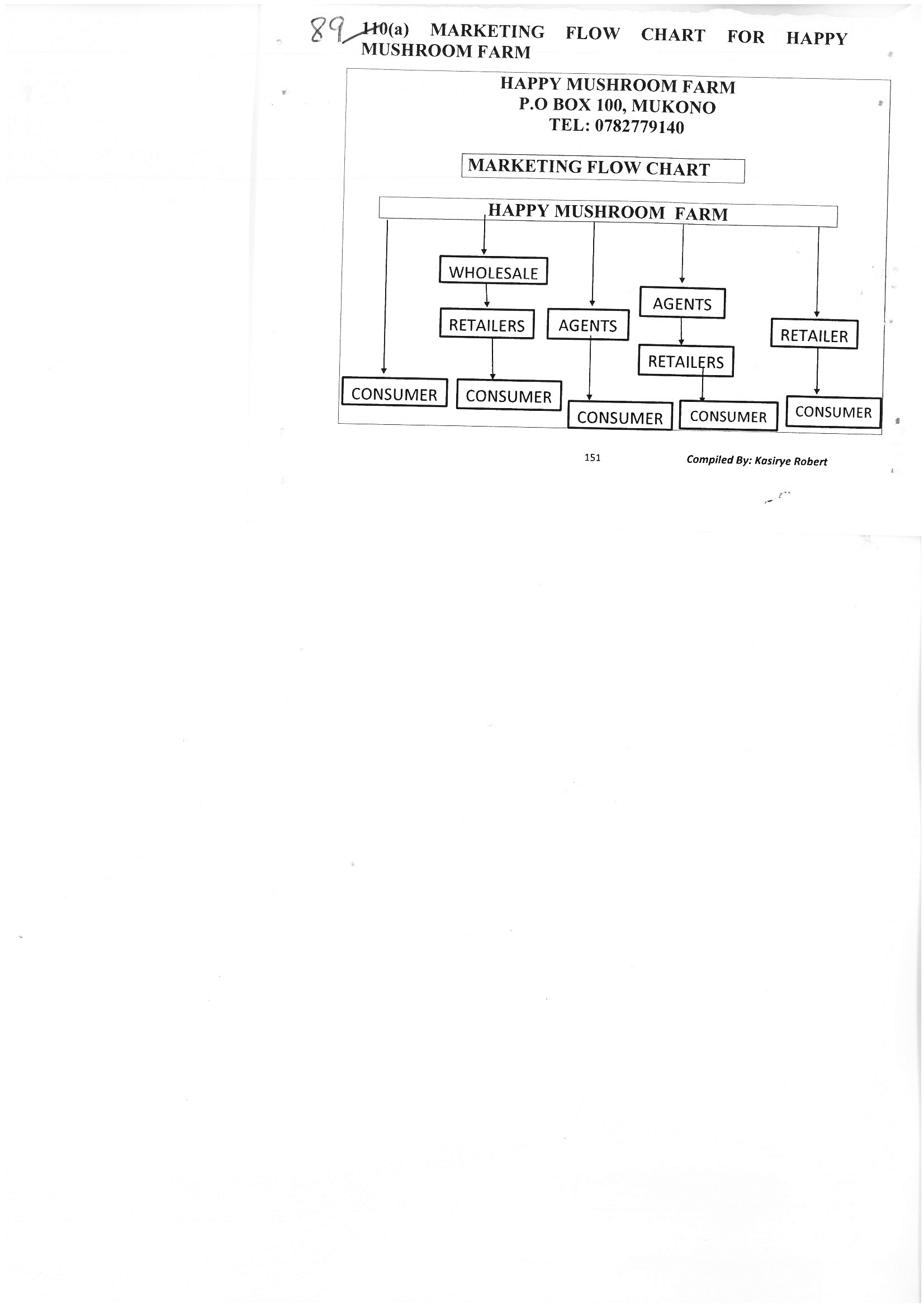
**BLESSED TEXTILE SOCIAL ENTERPRISE**

**P.O BOX 132, LUWEERO**

**TEL: 0782779140**

**GUIDELINES FOR ENSURING SUSTAINABILITY OF THE SOCIAL ENTERPRISE**

1. Management shall lobby for funds e.g donation.
2. Management shall involve community in business operations for succession purposes.
3. The business shall be insured with a reputable insurance company for its continued existence.
4. There shall be democratic leadership.
5. Employees shall be diversified to widen its income sources.
6. The management shall lobby for government support
7. Locally available resources shall be used to replace scarce and imported materials.
8. The management shall lobby or community acceptance of the enterprise.
9. Management shall promote social responsibility.
10. Profits shall be ploughed back.
11. Savings shall be encouraged for future investment in the venture.
12. Good financial management and accountability shall be practiced.
13. (a) MARKETING FLOW CHART FOR HAPPY MUSHROOM FARM



(b) HAPPY MUSHROOM FARM

P.O BOX 100, MUKONO

TEL: 0782 779140

POLICY GUIDELINES FOR PRESENTING BUSINESS PRODUCTS

1. Presentation aids like charts, photographs and catalogues shall be used to back up the product.
2. Customer’s doubts shall be handled tactfully.
3. Samples and guarantees shall be given to back up the product.
4. Customer’s privacy, convenience and ability to use the product shall be considered.
5. The target customers’ needs shall be considered.
6. Customers shall be given chance to express their views.
7. Sales persons shall dress decently and smartly.
8. Product outstanding features shall be given.
9. Relevant presentation and shall be given.
10. Customers shall be thanked on closing presentation.

(c) PARTNERSHIP DEED FOR HAPPY AND LUCKY MUSHROOM FARM

P.O BOX 100, MUKONO

1. The name registered address and location of the business is happy and lucky mushroom farm. P.O Box 100, Mukono located in Mukono Municipality in front of Centenary Bank – Mukono Branch.
2. The names and occupations of partners are Happy farmer residing in Mukono Central, Lucky a catering officer residing in Nasuuti.
3. Happy’s capital contribution is shs 5,000,000 and Lucky is shs 200,000.
4. The nature of partners is as follows: -

Happy an active partner.

Lucky a dormant

1. Profits and losses are shared in the ratios of 5.2
2. The salary to active partners is shs 300,000 per month.
3. The interest payable on capital contributed by partners shall be 5%.
4. Loans from partners shall attract an interest of 8% per annum.
5. Disputes among partners shall be settled any courts of law.
6. The partnership shall be dissolved in case one of the partners dies and the dissolution procedure shall be sharing all the assets of the business equally after clearing debts.
7. No new partners shall be admitted without consent of all partners.
8. Good will shall be admitted without consent of all partners.
9. Books of accounts are kept in a principle place accessible to all partners.
10. The partnership is permanent in nature.
11. The management committee is elected democratically by all members and shall serve for 5 years.

(d) GUIDELINES FOR MANAGING TIME IN HAPPY AND LUCKY MUSHROOM FARM

HAPPY AND LUCKY MUSHROOM FARM

P.O BOX 100, MUKONO

TEL: 0782 779140

POLICY GUIDELINES FOR MANAGING TIME

1. Deadlines shall be established to ensure timely completion of work.
2. Notes shall be taken on different ideas to enhance recall.
3. There shall be self-motivation to produce high output in specified time frame.
4. Questions shall be asked before work to minimize errors and repletion of work.
5. Tomorrow’s work shall be prepared at the end of each day to ease implementation.
6. Reflective thinking shall be done to learn from past activities.
7. A specific course of action shall be outlined so as to be result oriented.
8. Major tasks shall be done in blocks of time during period of the day where workers are more effective.
9. Activities which lead to significant results shall be done so as to be goal oriented.
10. Decisions shall be made quickly to minimize time wastage.
11. A quickest and safest most convenient mode to travel shall be chosen.
12. Priorities shall be selected and given attention.
13. Procrastination shall be avoided to ensure timely completion of planned activities.
14. Time shall be spent to plan and organise for all business activities.
15. The drivers shall say no to the unplanned activities to avoid wastage of time.
16. There shall be self-appraisal / self-audit and rewarding of one self-thereafter for proper time usage.
17. Workers shall avoid being perfections but instead aim at managing time.

(e) A STATEMENT OF ACCOUNT TO A CUSTOMER OF HAPPY AND LUCKY MUSHROOM FARM FOR SEPTEMBER 2019

**HAPPY AND LUCKY MUSHROOM FARM**

**P.O BOX 100, MUKONO**

**TEL: 0782 779140**

Date: 18th September 2022

Statement of Account No. 20

Statement of Account for August 2022

To: HOPE TRADERS P.O BOX 315, KASESE

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **ITEM NO.** | **DATE** | **DETAILS** | **DEBIT (SHS)** | **CREDIT (SHS)** |
| 1  2  3  4  5 | 3/08/2022  10/08/2022  15/08/2022  21/08/2022  28/08/2022 | Invoice No. 30  Invoice No. 100  Credit Note No. 15  Invoice No. 115  Receipt No. 515 | 1,600,000  2,400,000  2,000,000 | 1,200,000  2,800,000 |
|  |  | **TOTAL** | 6,000,000 | 4,000,000 |
|  |  |  | 4,000,000 | 4,000,000 |
|  |  |  | **Amount due to 2,000,000** | |

Terms of payment 5% after E & OE

Written by………………………..

KABATESI LINDA

SALES MANAGER

**HH**

**STATEMENT OF ACCOUNT**

1. (a) **GOOD WILL SNACKS POINT**

**P.O BOX 200, MPIGI**

**TEL: 0782779140**

**LOAN AMORTIZATION SCHEDULE**

**PRINCIPLE: SHS 60,000,000**

**INTEREST: 10% on reducing balance method**

**INSTALLMENTS: 6**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| PERIOD | TOTAL REPAYMENT SHS | PRINCIPLE | INTEREST | TOTAL OUTSTANDING BALANCE | PRINCIPLE OUT |
| 1st month  2nd month  3rd month  4th month  5th month  6th month | Shs  16,000,000  15,000,000  14,000,000  13,000,000  12,000,000  11,000,000 | Shs  10,000,000  10,000,000  10,000,000  10,000,000  10,000,000  10,000,000 | Shs  6,000,000  5,000,000  4,000,000  3,000,000  2,000,000  1,000,000 | Shs  65,000,000  50,000,000  36,000,000  23,000,000  11,000,000  0 | Shs  50,000,000  40,000,000  30,000,000  20,000,000  10,000,000  0 |
| **Total** | **81,000,000** | **60,000,000** | **21,000,000** |  |  |

(b) A WEEKLY DISTRIBUTION SCHEDULE FOR PRODUCTS OF GOOD WILL SNACKS POINT

**GOOD WILL SNACKS POINT**

**P.O BOX 200, MPIGI**

**TEL: 0782779140**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Day** | **Place / Agent / Market** | **Product** | **Quantity** | **Person in charge** | **Delivery means** | **Remarks** |
| Monday | Zigoti | Crisps | 10 doz | Business | Factory van |  |
| Tuesday | Buwalula | Cakes | 20 doz | Driver | Factory van |  |
| Wednesday | Jjeza | Cookies | 10 doz | Driver | Factory van |  |
| Thursday | Bujuuko | Daddies | 18 doz | Driver | Factory van |  |
| Friday | Bulenga | Cakes | 25 doz | Driver | Factory van |  |

Prepared by; ……………………. Approved by; …………………….

MUSOKE TOM ………………………

SALES MANAGER …………...………………

**WEEKLY DISTRIBUTION SCHEDULE**

(c) GOODWILL SNACKS POINT

P.O BOX 200, MPIGI

TEL: 0782779140

GUIDELINES FOR ENSURING PROPER LOAN MANAGEMENT

1. A manageable loan size shall be obtained for easy repayment.
2. Accurate information shall be provided when obtaining a loan.
3. Regular visits shall be paid / made to the lender to give updates on business performance.
4. The agreed method of loan repayment shall be observed.
5. Proper documentation of the loan the principal and the interest shall be ensured.
6. The loan shall be used for the intended purpose.
7. Communication shall be made to the lender of any major changes taking place in the business.
8. Seminars and workshops on loan management and financial management shall be attended.
9. Proper monitoring and supervision shall be done to ensure profitability of the business and payment of the loan.
10. The loan shall be insured with insurance companies for compensation in case of inability to pay.

(d) A CHEQUE TO PAY SUPPLIER OF RAW MATERIALS TO GOODWILL SNACKS POINT

**CENTENARY BANK**

**MITYANA BRANCH**

**P.O BOX 61, MITYANA Cheque No. 101591**

**TEL: 0782779140 Account No. 9020098121**

Date: 18th September, 2022

Pay \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or order

The sum of Uganda Shillings One million only. Ugx 1,000,000

…………………………

**GOODWILL SNACKS POINT**

Cheque Number Bank code Account Number

101591 18005 9020098121

**Account Payee only**

(e) INSTRUCTION FOR EMPLOYEES TO DEVELOP GOOD CUSTOMER CARE

GOODWILL SNACKS POINT

P.O BOX 200, MPIGI

TEL: 0782779140

**GUIDELINES FOR PRMOTING GOOD CUSTOMER CARE**

1. Customer’s complaints shall be carefully attended to so as to improve customer relation.
2. Workers shall tell customers the truth about business products including prices to bring about honesty.
3. Workers shall perform the job with pleasantness to give a good reception to customers.
4. Proper care and attention shall be given to customers to instill confidence.
5. Customers shall be served promptly and immediately to avoid unnecessary delays.
6. Good business language and impressing speaking style shall be used to encourage customers to continue buying from the business.
7. Workers shall possess sound knowledge on the products being sold in order to properly inform customers.
8. Workers shall ensure availability to the business premises in order to assist customers timely.

(f) **A well designed cash payment voucher should have the following**:

1. Heading
2. Frame

Business identity (Name, Address, Logo)

1. Document identity i.e CASH PAYMENT VOUCHER
2. Provision for date
3. Serial number of the document (Filled)
4. Provision for the payee
5. Provision for the payee’s department
6. Table containing;

|  |  |  |
| --- | --- | --- |
| Item Number | Description | Amount |
|  |  |  |
|  | TOTAL |  |

1. Provision for the person who has prepared ……………..
2. Approved by ……………

Received by ……………

Authorized by ……………

91. (a) **CUSTOMER OPINION FORM FOR USE WHEN COLLECTING DATA FOR TRUST RESTAURANT**

**TRUST RESTAURANT**

**P.O. BOX 500 MASAKA**

**TEL: 0782779140**

**CUSTOMER OPINION FORM**

Greetings from Watoto Carpentry workshop: You are requested to fill for us this questionnaire to help in our market research programme.

Information about the respondent:

1. Name: …………………………………..……….Age: ………….Sex/gender…………………..

Marital status: …………………………..Income bracket: …………..Residence………………

1. Question about the product e.g. How is the quality of our product (s)?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Question about price e.g. is the price charged what you expected?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Question about promotion e.g. How did you come to know about Trust Restaurants?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Question about place e.g. Are the products available where you expect them to be?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Question about position e.g. How do you compare our products to those of our competitors?

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. General comments e.g. Suggest means/ways which we may apply to increase our sales

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Is the packaging of the fast foods and snacks good? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. Comment on the quality of our serving utensils. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

***Thank you for sparing time to fill this opinion form.***

(b) **The JOB ADVERTISMENT FOR THE POST OF A STORES MANAGER should have the following:**

* Date of the job advertisement
* Name and address of the Restaurant
* Business location
* Business contacts e.g telephone numbers
* Business logo
* Name of the document being prepared i.e. job advertisement for a chef
* Background information about the Restaurant and job post to be filled
* Job title i.e. chef
* Job reference number
* Reporting line i.e Reports or reporting to;
* Duty station
* Job summary or job objectives (purpose)
* Job duties and responsibilities or tasks
* Academic qualifications
* Working experience
* Special skills or ability e.g. good computer skills
* Age limit
* Salary or remuneration or salary scale
* Terms of employment
* Other job requirements e.g. cover letter
* Procedure for applying for the job
* Deadline for submission of the job application
* How the job applicant shall be contacted to know the response to the application letter
* Advertised by:

Signature

Name

Title

* Frame around the job advert

(c) PURCHASE ORDER FOR INPUTS FOR TRUST RESTAURANT

TRUST RESTAURANT

P.O. BOX 500, MASAKA (U)

TEL: 0782779140

Date: 18th/09/2022

Purchase order No. 209

Quotation No.184

Supplier/seller’s address

…………………………….

……………………………. Filled

…………………………….

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S/No. | Item | quantity | Rate (Shs) | Amount (Shs) |
| **Filled** | **Filled** | **Filled** | **Filled** | **Filled** |
| **Total** |  |  |  | **Filled** |

Terms and conditions:

Delivery date: …………………….

Means of delivery: ……………….. Filled

Enclosure e.g. cheque……………...

Prepared by Approved by

Signature: ……………………….. Signature: ………………

Name: …………………………… Filled Name: ………………….. Not Filled

Title: …………………………….. Title: ……………………

**PURCHASE ORDER**

(d) **GUIDELINES FOLLOWED TO ENSURE ACCEPTABLE HYGIENE IN TRUST RESTAURANT**

**TRUST RESTAURANT**

**P.O. BOX 500, MASAKA (U)**

**TEL: 0782779140**

**GUIDELINES FOLLOWED TO ENSURE ACCEPTABLE** **HYGIENE**

* The compound shall be swept daily
* The operating room and verandas shall be moped twice a day
* All the rubbish shall be deposited in the dust bins
* The rubbish pits and stores shall be disinfected weekly
* The restaurant premises, rooms and the compound shall be fumigated every after a fortnight
* Clean water and soap shall be provided at all points for workers to wash their hands
* Sanitizers shall be placed at all points entering the restaurant premises and rooms
* Restaurant furniture shall be cleaned daily and well arranged
* The table cloths/tablemats shall be changed every day and washed
* Workers shall put on aprons and head masks to avoid contaminating the products
* All utensils used in the restaurant shall be properly washed after use, later dried and stored in Clean places
* All workers shall put on clean restaurant co-operate wear
* The compound grass shall regularly be slashed and the flowers well-trimmed monthly
* The restaurant places of convenience and bathrooms shall be cleaned every after 4 hours and the users shall be as well advised to adhere to the hygienic standards
* There shall be close supervision of the cleaning of dirty places like toilets by the operations manager and supervisors
* All the doors, walls, windows and furniture for the restaurant shall be painted every year

(e) The plan for undertaking an insurance policy to ensure safety of the business assets

* Suitable heading
* Business name, address, contact
* Suitable statement i.e PLAN FOR TAKING AN INSURANCE POLICY FOR BUSINESS ASSETS
* Logo

|  |  |  |  |
| --- | --- | --- | --- |
| Date | Activity | Persons in charge | Remarks |
| Start with the present date | Identifying the items to be insured |  |  |
| XX | Inquiring about the best insurance company |  | Do not fill in |
| XX | Deciding on which insurance company and type to set along with | Fill in names or title |  |
| XX | Checking the budget and deciding on the amount of money to pay for insurance |  |  |
| XX | Filling and signing a proposal form |  |  |
| XX | Calculating premiums |  |  |
| XX | Issuing a cover note |  |  |
| XX | Issuing of an insurance policy |  |  |

Drawn by: Signature …………Approved by: Signature: … Name Fill in Name…… Blank Title Title

(f) A document to be sent to a customer who was overcharged to correct the error on the invoice should include the following.

* Heading
* Frame
* Business identity i.e Name, Address, Logo
* Name of the document i.e. CREDIT NOTE
* Credit Note Number
* Date (current date)
* Name of the customer if is to be sent
* Table containing:
  + Serial Number
  + Description/Narration showing the correct total
  + Erroneous total
  + Invoice Number being corrected
  + Amount in error being corrected in figures
* Amount in words
* Written by: Signature

Name

Title

* Approved by: Signature

Name

Title

92. (a) TERMS **AND CONDITIONS FOR A TENDER TO SUPPLY MAIZE FLOUR BETWEEN HOPE GRAIN MILLERS AND SUCCESS HIGH SCHOOL**

**TERMS AND CONITIONS OF THE CONTRACT**

* The product to be supplied shall be …
* The quantity of the school uniform shall be ……
* The prices of maize flour shall be ……
* The supply schedules for maize flour shall be …. E.g 4 times every month
* The place or venue of delivery of the maize flour shall be ……
* The methods of payments for the maize flour shall ………
* The duration of the contract to supply the maize flour shall be …..
* Any disagreement(s) between the contract parties shall be …..e.g first be resolved by round table discussion by selected representatives and a mediator
* The milling factory shall only be liable for e.g damages or theft of flour while in transit
* The sales contract to supply Maize flour to (name of the school) shall be terminated when the contract period expires or by court order, or by agreement or when factory owner dies or when breached by either party to it
* Declaration and witness of the contract terms

We the under signed parties consent (agree) to the terms and conditions of the contract

Signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signed \_\_\_

Name Name

HOPE GRAINMILLERS SUCCESS HIGH SCHOOL

DATE\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ DATE:\_\_\_\_\_\_\_\_\_\_\_\_\_\_

WITNESSED BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ WITNESSED BY: \_\_\_\_\_\_

92. (b) SOCIAL RESPONSIBILITIES OF THE BUSINESS

* Creating/providing employment or job opportunities
* Promoting/facilitating infrastructural development
* Reducing the harmful effects/impacts of human activities on the environment
* Encouraging unity and harmony in the community through involving people in problem solving
* Promoting creativity and innovations among the community members through training in order to produce new products/services
* Utilizing the locally available resources to provide products needed by the people
* Empowering the people by training them to acquire survival skills
* Ensuring sustainability in the supply of innovative products/services
* Providing/ creating market for the products of the community
* Providing revenue to the government by paying taxes
* Participating in community development programmes/activities
* Providing information for research and study purposes
* Providing goods and services
* Increasing opportunities to the disadvantaged, vulnerable groups e.t.c

(c) **ASSET REGISTER FOR HOPE GRAIN MILLERS**

HOPE GRAINMILLERS

P.O. BOX 56, MUBENDE

TEL: 0782779140

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ITEM | DATE OF ACQUISITION | QTY | UNIT VALUE | ACQUISITION VALUE | DEPRECIATION VALUE | BOOK VALUE |
| Motor vehicle | 1st Jan 2011 | 2 | 15,000,000 | 30,000,000 | 3,000,000 | 27,000,000 |
| Machinery | 10th Jan 2010 | 4 | 6,000,000 | 24,000,000 | 2,400,000 | 21,600,000 |
| Buildings | 4th Dec 2009 | 2 | 9,000,000 | 18,000,000 | 1,800,000 | 16,200,000 |
| Land | 8th June 2008 |  |  | 20,000,000 |  | 20,000,000 |
| Furniture | 12th Jan 2010 |  |  | 8,000,000 | 800,000 | 7,200,000 |
| TOTAL |  |  |  | 100,000,000 |  | 92,000,000 |

Developed by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

NAKATE SARAH

BUSINESS ECONOMIST

HGM

**ASSET REGISTER**

(d) **Policy to follow when selecting company machinery should include suitable introduction with business name, address and contact and suitable statement i.e policy guidelines for selecting machines**

* The business shall consider the cost of machine and equipment before purchasing
* The business owner shall put into consideration the ease in maintenance and repair of machines before selecting
* The business owner shall consider the flexibility for adjustment before selection of machines
* The entrepreneur of the business shall consider the capacity the machine and equipment can handle before selection
* The business owner shall put into consideration the origin of machines and equipment before selection
* The business owner shall put into consideration the guarantee given by the manufacturer before choosing of machines and equipment
* The entrepreneur shall consider the terms and conditions for payment before selection of machines and payments
* The owner of business shall put into consideration the simplicity and ease of use of machines before selection
* The entrepreneur shall consider the productivity and efficiency of machines before selection
* The business owner shall put into consideration the government policy in relation to conservation of the environment before purchasing the machine
* Machines whose complementary parts are readily available shall be selected for easy installation
* Machines with a longer useful life shall be purchased to minimize replacement and repair costs
* Machines that take a shorter lead time to be delivered shall be purchased to enable production continuity

Note: Use the language “Shall” or is/are

(e) For the programme for official starting of the business, use the steps on question 24 part (c). Fill those steps in the activity column of the PROGRAMME FOR STARTING THE BUSINESS.

(f) Management plan: already seen on number 83 (f) as organizational plan.

It can also be called Administrative plan or Human Resource plan.

93(a)**UNIQUE COSMETICS CENTRE**

**P.O BOX 23, MASAKA**

**TEL.0782779140**

**TO THE GENERAL MANAGER,**

**UNIQUE SHOE MAKERS**

**P.O BOX 23, MASAKA**

Dear Sir;

**RE: REPORT ON THE MARKETING RESEARCH CARRIED OUT CAUSES OF DROP IN CUSTOMER NUMBERS**

**Introduction**: on the 4th of September 2022, the general manager of unique cosmetics centre marketing to carry out market research to investigate the cause of dealing sales in unique cosmetics centre.

**Producer / methods:** The marketing manager distributed questionnaires to customers in order to obtain market information. The marketing manager also moved to the field and observed the way the sales persons and agents deal with selling process. He also had oral interviews with the meddle men in the distribution channel and then customers.

**Findings:** it was discovered that the distribution van used to stop only in the town neglecting the semi urban and rural areas, two of the sales persons had skin rashes which had even covered part of their eye, one had a face which was burnt by acid and the teeth were peeping and unattractive to look at by customers. The products were highly priced and some sales persons were not friendly to customers. The cosmetics was not good in quality and would cause wounds on some customer’s skin.

**Conclusion:** The causes of declining sales in unique cosmetics cente is a result of inadequate product distribution, un attractive sales persons, poor relationship between sales persons and customer’s, high prices for some products and poor quality of the products.

**Recommendations:** There is need for distribution products in al area including rural areas, recruitment of more sales persons with good facial appearance and good health, regulating the prices of various products, improving customer care by sales persons and improving the quality of the products.

Written by

……………………

KABATESI LINDA

Date: 13/9/22

Note: it can be o evaluation report with achievements, challenges, recommendation.

**(b)** For guidelines to ensure that the business remains competitive in the market, use the strategies for winning customer acceptance on question. 72(a) and write them as guidelines using the language “shall” or “is/are”

(c) A notice informing your customers about actions taken to improve service delivery.

|  |
| --- |
| UNIQUE COSMETICS CENTRE  P.O BOX 23  MASAKA  0782779140  13/09/2022  NOTICE  ALL OUR ESTEEMED CUSTOMERS  RE: IMPROVEMENT IN SERVICE DELIVERY  We have registered with concern your complaints and suggestions about better service delivery in our beauty centre. We have overhanded our system and employed more workers as well as streamlining the entire mode of operation. We hope for the best.  We apologize for any inconveniences caused. For further inquiries, contact customer care desk on 0782779140  MANAGEMENT |

(D) UNIQUE COSMETICS CENTRE

P.O BOX 23, MASAKA

TEL. 0782779140

**GUIDELINES FOR BETTER UTILISATION OF BUSINESS PROCEEDS**

* Proceeds shall be used to carryout research on the better quality and new discoveries of cosmetics.
* Profits shall be used to ploughed back in the enterprise to enable its growth.
* Profits shall be used to open up branches of the same cosmetics centre in other areas for sustainability.
* Project proceeds shall be used to set up related enterprises like saloons as a way of diversification.
* Some profits shall be used to buy items for donations to the disadvantaged groups as a corporate social responsibility.
* Some proceeds shall be used to sponsor marketing activities of the business to increase sales.
* Part of the proceeds shall be lent out at an interest.
* Part of the proceeds shall be invested in buying financial assets like shares and bonds as a way of saving.
* Proceeds shall be partly used to motivate business employees.
* Proceeds shall be used to buy more fixed assets for the business like a television set for customers to watch as they are being served.
* Part of the proceeds shall be deposited on the fixed deposit account with a commercial bank to earn interest.

**(e)** CODE OF CONDUCT TO BE OBSERVED BY EMPLOYEES OF

UNIQUE COSMETICS CENTRE.

UNIQUE COSMETICS CENTRE

P.O BOX 23, MASAKA

TEL: 0782779140

**CODE OF CONDUCT TO BE OBSERVED BY WORKERS.**

* Each worker shall observe work time table by reporting to work at 7:30 am and leaving work by 5 : 30 pm
* All workers shall obey their immediate supervisors and any other official in management.
* No worker shall participate in any authorized strikes, lock outs or trade union activities.
* Workers shall wear company uniform while at work or dress decently at all times.
* No project worker shall get involved in any criminal or illegal activities in and outside company, to avoid tarnishing the name of the company.
* A company worker shall avoid bringing in unauthorized persons (visitors) into the company premises.
* A company worker shall avoid concealing or hiding or defending a wrong committed by another worker.
* A company worker shall avoid releasing (diverge) company secrets or information to rivals or outsiders without permission.
* A company worker shall avoid involving himself or herself in indecent behavior like committing adultery, fornication etc.
* No company worker shall possess un authorized fire arms and other harmful weapons at the work place.
* Workers shall be smartly dressed in company’s corporate wear daily.
* Employees shall be required to attend meetings without fail.
* The official mode of communication shall be English language.
* Use of abusive language shall be punishable by any punishment decided by the disciplinary committee.
* Disciplinary committee shall be formed to handle disciplinary issues among employees.
* Absence from work without prior communication shall be punishable by the decision made by the disciplinary committee.
* Employees shall be required to respect one another.
* Employees shall be required to respect company property.
* Failure to meet performance standard shall lead to termination.

(f) A credit status inquiry on a customer of Unique Cosmetics centre.

|  |
| --- |
| UNIQUE COSMETICS  **MDL**  P.O BOX 23, MASAKA  TEL. 0782779140  Our ref: 01/MDL/CB/18/9/2022 Date 18th September 2022  Your Ref:  The manager  Centenary Bank  Mapeera Branch  P.O. BOX 5, Kampala.  Dear sir,  RE: **CREDIT STATUS INQUIRY**  We have been approached by Mr. Biiso Tom of Mirembe formation centre requesting for extension of credit services to her firm on credit to the tune of shs. 4,000,000.  She has given your bank as a reference. We request you at your earliest convenience to feed us information concerning the same.  Information will be kept in confidential way will not be revealed to her. A self-addressed envelope has been enclosed for use. Hoping for your positive consideration.  Yours faithfully,  ……………………….  **MUSEGE BLESSING**  **MANAGING DIRECTOR** |

(g) UNIQUE COSMETICS CENTRE

P.O BOX 23, MASAKA

TEL: 0782779140

**GUIDELINES FOLLOWED TO MONITOR BUSINESS OPERATIONS.**

* The management shall set sales targets and compare them with previous to tell business progress.
* Work schedules shall be set for comparison purposes.
* Stock records shall be observed to tell the physical stock available and how much has been sold/used.
* The management shall prepare the balance sheet to ascertain the financial position of the business.
* The business shall prepare an operational budget to tell the business income and expense projects over a period of time.
* Work order forms shall be filled and followed.
* Department reports shall be reviewed to compare the planned targets with actual targets.
* A cash flow statement shall be prepared to compare cash inflows and outflows to estimate net cash position.

**PART IV: P230/2 – FINANICAL MANAGEMENT**

94 (a)(i) cost of sales = opening stock + net purchases- closing stock

But: Net purchases = purchases + carriage on purchases – return outwards

= 85,000,000 + 1,500,000 – 4,000,000

= shs 82,500,000

Cost of sales = 10,000,000 + 82,500,000 – 4,000,000

= shs 88,500,000

(ii) Gross profit = net sales – cost of sales

But: net sales = sales – return inwards

= 101,200,000 – 2,000,000

= shs 99,200,000

Gross profit = 99,200,000 – 88,500,000

= shs 10,700,000

(iii) net profit = Gross profit – expenses

Expenses = (rent and rates - prepaid) + (Electricity + arrears) + discount allowed + (insurance + owing) + motor repairs + carriage on sales + depreciation motorvan + depreciation on equipment + provision for bad debts.)

= (2,500,000 – 500,000) + (1,500,000 + 300,000) + 2,000,000 + (3,000,000+ 700,000) + 4,000,000 + 1,000,000 + 3,000,000 + 4,500,000 + 2,000,000.

= shs 24,000,000

Also, gross profit had additional incomes.

Gross income = gross profit + (commission income + outstanding) + bad debts recovered+ (interest received - Advance) + discount received.

= 10,700,000 + (1,800,000 + 200,000) + 8,000,000 + (2,000,000 – 450,000+ 5,000,000.

= shs 27, 250,000.

Net profit = gross income – total expenses

= 27,250,000 – 24,000,000

= shs 3,250,000

(iv) Working capital = current assets – current liabilities.

Current assets = stock + (debtors – provision for bad debts) + bank balance + cash in hand + rent prepaid + commission outstanding.

= 4,000,000 + (20,000,000 – 2,000,000) + 12,000,000 + 18,000,000 + 500,000 + 200,000.

= shs 52,700,000.

Current liabilities = creditors + bank overdraft + electricity arrears + insurance owing + interest received in advance.

= 13,000,000 + 3,000,000 + 300,000 + 700,000 + 450,000.

= shs 17, 450,000.

Working capital = 52, 700,000 – 17,450,000

= shs 35,250,000.

(v) Fixed capital = land + (equipment – depreciation) + (motorvan - depreciation)

= 6,500,000 + (45,000,000 – 45,000,000) + (30,000,000 – 3,000,000)

= shs 74,000,000

(vi) capital employed = fixed assets + working capital

= 74,000,000 + 35,250,000

= shs 109,250,000.

OR

Capital employed = capital owned + long term liabilities.

Capital owned = capital + net profit – drawings

= 57,000,000 + 3,250,000 – 6,000,000

= shs 54,250,000.

Long term liabilities = 4 – year loan.

= shs 55,000,000.

Capital employed = 54,250,000 + 55,000,000

= shs 109,250,000.

(b) (i) Average markup = x 100

= x 100

= 12%

Interpretation: For every shs 100 of the cost of sales, a gross profit of shs 12 is generated.

(ii) Net profit margin = x 100

= x 100

= 3.27%

3%

Interpretation: for every shs 100 of Net sales revenue shs 3 is a net profit

(iii) inventory velocity ratio =

Average stock =

=

=

= shs 7,000,000.

Inventory velocity ratio. =

= 12.6 times

13 times.

Interpretation: the business sells and replaces stock 13 times in a trading period.

(iv) Holding period = x number of days in a years

= x 365 days

= 28.87 days

29 days

Interpretation: stock was held/ kept for 29 days before selling.

(v) cash ratio =

=

=

=

= 1.719: 1

2:1

Interpretation: the business is in position to pay off its current liabilities using twice.

(vi) Acid test ratio =

=

=

= 2.79: 1

3:1

Interpretation: the business is in position to pay off its current liabilities using liquid assets / quick assets three times.

(vii) profit per employee ratio =

Average number of employees =

=

= 20 workers

Profit per employee ratio =

= Shs 162,500

Interpretation: on average, each employee contributed shs 162,500 to the business’ net profit.

(viii) Return on employed capital = x 100

= x 100

= 2.97%

3%

Interpretation: for every shs 100 of the capital employed in the business, shs 3 is obtained as net profit.

(ix) Average debt collection period = x number of days in a year.

= x 365 days

= 66.2 days

66 days

Interpretation: Debtors pay after an average of 66 days. Or the business collects money from debtors after an average of 66 days.

(x) non-current assets turnover = x 100

= x 100

= 134%

Interpretation: for every shs 100 invested in non-current assets, a sales revenue of shs 134 is generated.

(xi) creditors turnover period (in weeks) = x number of days in a year

= x 100

= 101.3%

101%

Interpretation: 101% of the business is financed by borrowing while 1% by owner’s equity.

**(b) uses of financial ratio to an entrepreneur.**

* They act as a bench mark for evaluating the business financial position.
* They compare performance of the business.
* They are used by investors in evaluating the business in case it wants to sell shares.
* They act as a basis for obtaining loans.
* They are used in tax assessment.
* They act as a basis for making future business policies and plans.

**95 a) HOPE WHOLESALE SHOP**

**CASH FLOW STATEMENT**

**FOR THE MONTHS OF JANUARY, FEBRUARY, MARCH AND APRIL 2019**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| DETAILS | JANUARY | FEBRUARY | MARCH | APRIL |
| Cash balance b/f  **Add: cash inflows**  Capital  Cash sales  Receipts from debtors  Loan  Revenue from bus hire  **Total cash inflows**  **Less: cash outflows**  Purchase of raw materials  Pre-operating expenses  Purchase of startup assets  Loan principal payment interest on loan  Purchase of a machine  Workers’ salaries | Shs  60,00,000  8,000,00  3,600,000  3,000,000  **20,600,000**  4,000,000  7,160,000  40,000,000  2,400,000 | Shs  (32,960,000)  8,800,000  6,000,000  8,000,000  3,000,000  **(7,160,000)**  4,000,000  10,000,000  2,000,000  160,000  28,744,000  28,800,000 | Shs (54,944,000)  9,680,000  6,000,000  3,000,0000  (**36,254,000)**  9,600,000  2,000,000  120,000  3,360,000 | Shs  (42,704,000)  10,648,000  6,000,000  3,000,000  **(23,056,000)**  2,000,000  80,000  8,566,000  3,840,000 |
| **Total cash outflows**  **Net cash position** | **53,560,000**  **(32,960,000)** | **47,784,000**  **(54,944,000)** | **6,440,000**  **(42,704,000)** | **14,486,400**  **(37,542,400)** |

**(b) Net cash position for Hope Wholesale shop**

* The business had a deficit of shs 32,960,000 by the end of January 2019.
* This increased to a deficit of shs 54,944,000 by the end of February 2019.
* It reduced at a deficit of shs 42,704,000 by the end of march 2018 and finally by the end of April 2019.
* This implies that the business is not doing well though recovering slowly.

**(c) Difference between a cash budget and an income statement.**

* Cash budget is a statement which shows an entrepreneur the amount of cash that will flow I and out of the business while an income statement is a financial statement prepared at the end of the trading period to ascertain the Net profit/Net loss for the period.
* A cash budget records the projected incomes and expenses while an income statement records real incomes and expenses.
* A cash budget considers only money entering and leaving the business while the statement aims at determining whether the business is making profits or losses.
* A cash budget records purchase and sale of fixed assets while an income statement does not.
* A cash budget is prepared towards the actual operations while an income statement is prepared at the end of the trading period.

**(d) Uses of cash budget.**

* It helps an entrepreneur to determine whether there is enough cash to meet the business needs that may occur anytime.
* It enables an entrepreneur to eliminate unplanned expenditure.
* It helps an entrepreneur to make decisions in case of shortages.
* It justifies the financial gap when seeking for a loan.
* It shows where the cash comes from and where it will go.
* It enables an entrepreneur to widen the sources of funds.

**(d)(i) Measures that can be undertaken to overcome a deficit.**

* Reducing credit sales.
* Delaying payment of the planned expenditure e.g. dividends.
* Postponing capital expenditure
* Selling off old fixed assets that are non-productive
* Seeking to extend loan repayment period.
* Asking for grants and donations.
* Making payments using postdated cheques.
* Borrowing money to inject into the business.
* Reducing credit period.
* Increasing sales through carrying out intensive advertising
* Laying off some items.
* Adopting good purchasing practices to take advantage of discounts, negotiating for longer credit periods.
* Ploughing back profits.
* Selling shares in the case of companies.
* Admitting new partners so as to bring into the business more cash from new partners’ contribution.
* Practicing proper budgeting controls.

**(ii) measures that can be undertaken to manage cash**.

* Ensuring proper counting of all cash received.
* Using money detectors to avoid counterfeit money.
* Avoiding counting cash in public
* Documenting all cash received and paid out.
* Keeping cash in the business premises in a lockable safe.
* Banking all cash received instantly.
* Receiving bank statements regularly to reconcile with the cash records.
* Employing auditors surprisingly to check on the books of accounts and financial statements.
* Taking less salary out of business.
* Avoiding spending business cash on personal matters.

96. (a) taxable income = Basic salary + Taxable allowances

= basic salary + travel allowance + medical allowance +

security allowance + marriage allowance.

= 20,000,000 + 1,000,000 + 15,000,000 + 600,000 + 500,000

= shs 23,600,000.

Tax liability = shs 25,000 + x (23,600,000 – 410,000) + x (23,600,000 – 10,000,000)

= 25,000 + x 23,190,000 + x 13,600,000.

= 25,000 + 6,957,000 + 1,360,000.

= shs 8,342,000.

Note: the re-imbursement is an allowable deduction (non-taxable allowance) since it was a refund for what was already spent.

b)i). Kirabo’s chargeable rental income = gross rental income – 75% provision for expenses

and losses.

Gross rental income = total rental income collected from different apartments

= 25,000,000 + 6,000,000 + 14,000,000

= shs 45,000,000

Chargeable rental income = 45,000,000 - x 45,000,000

= shs 45,000,000 – 33,750,000

= shs 11,250,000

ii) Rental tax = tax rate x net chargeable rental incomes

= x (chargeable rental income – interest on mortgage)

= x (11,250,000 – 1,500,000)

= x 9,750,000

= shs 2,925,000.

c. chargeable income = gross income – allowable expenses

= 120,000,000 – (10,000,000 + 3,000,000)

= 120,000,000 – 13,000,000

= shs 107,000,000

Corporation tax payable = tax rate x chargeable income.

= x 107,000,000

= shs 32,100,000

Note: school fees for director’s children is his personal expenditure, so its not allowable. Penalities were charged for breaking the law, so not allowable since URA cant encourage him to be breaking laws.

2(a)(i)

Gross income for the year = total income obtained from the different sources – tax exempt income

= employment income + property income + business income

– tax exempt income.

= 4,000,000 + 16,000,000 + 14,000,000 - x 34,000,000.

= 34,000,000 – 8,500,000.

= shs 25,500,000

ii)

tax payable = gross income – expenses + losses

= gross income – (utilities + repairs of building)

= 25,500,000 – (1,800,000 + 500,000)

= 25,500,000 – 2,300,000

= shs 23,200,000.

iii)

tax payable = shs 300,000 + x (23,200,000 – 4,920,000)

= 300,000 + x18,280,000

= 300,000 + 5,484,000

= 5,784,000 shillings.

B(i)

VAT at stage one (muchomo) = VAT rate x purchases

= x (20 x 40,000)

= x 800,000

= shs 144,000

VAT at stage two (kirungo) = VAT rate x (sales - purchases)

= x ((40,000 + 5000) x 20) – 800,000)

= x (900,000 – 800,000)

= x 100,000.

= shs 18,000.

VAT at stage three (consumer) = VAT rate x (sales - purchases)

= x ((45,000 + 6,000) x 20) – 900,000)

= x (1,020,000 – 900,000)

= x 120,000

= shs 21,600

ii) total VAT paid to URA = VAT at stage I + stage II + stage III

= 144,000 + 18,000 + 21,600

= SHS 183,600.

C(i)

VAT on each product

VAT on cookies = VAT rate x (sales - purchases)

= x (47,200,000 – 29,500,000)

= x 17,700,000

= shs 2,700,000

VAT on juice = VAT rate x (sales - purchases)

= x (106,200,000 – 70,800,000)

= x 35,400,000

= shs 5,400,000

ii) sales value of juice VAT exclusive = selling price of juice – VAT on juice.

= 106,200,000 - x 106,200,000

= 106,200,000 – 16,200,000

= shs 90,000,000

3 (a) (i) Speech to the business community about their obligations should capture the following.

Title: SPEECH TO COMMUNITY MEMBERS ABOUT OBLIGATIONS OF TAX PAYERS.

**Introduction which may include**

* Name of the presenter
* Occupation of the presenter
* Greetings
* Back ground information.
* Brief definitions about taxation concepts.

**Obligations of tax payers**

* To register voluntarily with URA.
* Filing returns and entries.
* To pay the correct tax at the right time and place.
* To disclose / declare information required
* To co-operate with Uganda Revenue Authority
* To complete necessary forms when travelling before reaching the departure / arrival processing points.
* To use services of licensed customs brokers when improving or exporting cargo.

ii)**Tax exempt incomes include;**

* Re-imbursement / refund / discharge of medical expenses.
* Life insurance premium paid for the benefit of dependents.
* Re-imbursement for subsistence or monetary given while performing employment duties e.g. travel, meals etc.
* Value of meals / refreshments provided to all full-time employees at the place of work on equal terms.
* Contribution of employees to a retirement fund e.g. NSSF and pension schemes.
* Any benefit whose monetary value is less than shs 10,000 per month.
* 25% of the terminal benefits paid to employees who have been in employment for the last 10 years.
* Pension i.e. many paid to a civil servant after retiring from civil service.
* Income earned by an employee from a retirement fund e.g. NSSF and pension scheme.
* The basic salary of members of parliament

**ii) Strategies to adopt by tax payers to ensure tax compliance.**

* Maintaining proper business records.
* Promptly remitting tax to the tax authorities.
* Attending workshops and seminars to obtain information on tax education.
* Resisting corrupt tax officials
* Filling monthly tax returns to relevant authorities.

B(i)Tax rate for Buuso Jane = x 100

= x 100

= 4%

Tax rate for Bunnyo Dan = x 100

= x 100

= 7%

ii) the class / type of tax system applied in the country above is progressive taxation or progressive tax. The tax rate increase as the income increases.

iii) reasons why the government may opt for progressive tax system.

* To ensure equitable distribution of income thereby reducing income inequality.
* To increase on the revenue collected since the rich are taxed heavily.
* 3to control inflation by reducing people’s disposable income.
* To reduce the tax incidence on people with lower incomes.

(c) (i) Customs taxes on the car = import duty +VAT + Withholding tax + infrastructural levy + Environmental Levy

* Import duty = Import duty rate X Customs value

Customs value = (cost + Insurance + freight) x Exchange rate

= (6000$ + 1600$ + 2400$) x 4000

= 10000$ x 4000

= Shs 40,000,000

Import duty = x 40,000,000

= Shs 10,000,000

* VAT = VAT rate x (Customs value + import duty)

= x (40,000,000 + 10,000,000)

= x 50,000,000

= shs 9,000,000

* Withholding tax = Tax rate x customs value

= x 40,000,000

= shs 2,400,000

* Infrastructural levy = Tax rate x customs value

= x 40,000,000

= Shs 600,000

* Environmental levy = Tax rate x customs value

= x 40,000,000

= shs 20,000,000

* Total tax payable = 10,000,000 + 9,000,000 + 2,400,000+ 600,000+ 20,000,000

= shs 42,000,000

(ii) Gross value of the car considering all tariffs = Customs value + Total tax payable

= 40,000,000 + 42,000,000

= shs 82,000,000

**Note:** Used cars greatly pollute the environment and this environmental levy is charged to limit their importation. Rates vary depending on the period from its date of manufacture:

0-5 years – No environmental level

6-10 years 35%

Above 10 years 50%

(d) Customs taxes = Import duty + Excise duty + VAT + Withholding tax + Infrastructural levy

* Import duty = Import duty rate x customs value

Customs value = CIF value x exchange rate

= 4600$ x 3900

= Shs 17,940,000

Import duty = x 17,940,000

= shs 4,485,000

* Excise duty = Excise duty rate x (customs value + import duty)

= x (17,940,000 + 4,485,000)

= x 22,425,000

= shs 13,455,000

* VAT = VAT rate x (customs value + import duty + Excise duty)

= x (17,940,000 + 4,485,000 + 13,455,000)

= x 35,880,000

= shs 6,458,400

* Withholding tax = Tax rate x customs value

= x 17,940,000

= shs 1,076,400

* Infrastructure levy = Tax rate x customs value

= x 17,940,000

= shs 269,100

Total customs taxes = 4,485,000 + 13,455,000 + 6,458,400 + 1,076,400 + 269100

= shs 25,743,900

**PART V: P230/3 SECTION A: CASE STUDY**

**96(a) Description of the nature of entrepreneurial environment requires use of the characteristics of entrepreneurial environment.**

* Flexibility
* Opportunity orientation
* Uncertainty
* Resource scarcity.

**(b) Factors that favored Matayo to succeed in his business.**

* His level of education.
* Availability of capital.
* Presence of developed infrastructure
* Availability of role models.
* Availability of market.
* Availability of land.
* Availability of labour
* Government policy on business
* Location of the business.
* Family background.

**(c) Advice to Matayo about keys to successful negotiation in business.**

* Negotiation outcomes should be a win-win for both parties.
* Both parties should feel satisfied with the result.
* Do not become emotional
* Focus on solving problems.
* Use the negotiation style of the other party to achieve positive outcomes.
* Be flexible in your demands.
* Do not expect all your demands to be met i.e. expect compromise.
* Ask good questions and be a good listener.

**(d) Marketing strategies Matayo could have used in the business.**

* Communication
* Offering guarantee
* Networking
* Referrals
* Advertising
* Display
* Giving free information
* Writing / newsletters
* Decision making
* Pricing of products
* Personal selling
* Cold calling.

**(e) Steps Matayo could have followed when taking the insurance policy.**

* Identifying the items to be insured.
* Inquiring about the best insurance company by acquiring quotations.
* Deciding on which insurance company to get along with
* Analyzing the budget and deciding how much money to pay for insurance.
* Filling a proposal form.
* Calculating of premiums and signing proposal form.
* Issuing a cover note.
* Issuing of an insurance policy.

**(f) lessons one can learn from the case study.**

* Acquire education to obtain skills
* Operate legal businesses
* Look for sources of capital.
* Save to raise startup capital
* Network with successful entrepreneurs.
* Do business where you have interest.
* Have suitable location for the business
* Get ways of promoting sales.
* Have a clear policy on giving credit
* Maintain proper books of accounts
* Have good business ethics.
* Deal in variety or various lines of businesses and products to diversify risks.
* Make use of available resources.

**(g) Environmental factors that affect the business in its production process and operations.**

* Competitors
* Business support services
* Government policy on business
* Changes in customers tastes and preferences.

**SECTION B: SCHOOL BUSINESS CLUBS**

**116 (a) Description of the enterprise should capture the following.**

* Business name and address.
* Business location.
* Purpose i.e Vision, mission, goals and objectives.
* Products/services offered.
* Date of establishment.
* Nature of ownership/legal form of business.
* Customers served.
* Description of assets.
* Uniqueness of the business.
* SWOT analysis.
* Sources of funds. **Note: Attach evidence.**

**(b) Entrepreneurial competencies involved in the business.**

* Body of knowledge.
* Set of skills.
* Cluster of traits.

**(c) How production costs were minimized.**

* + Making labour work for long hours.
  + Reducing fringe benefits for labour.
  + Buying raw-materials from the cheapest source.
  + Employing few workers.
  + Setting up quality standards/objectives to be achieved.
  + Giving clear instructions to all workers.
  + Using quality raw materials.
  + Ensuring cleanliness of business premises.
  + Motivating employees to keep their morale high.
  + Training workers to improve efficiency and avoid poor quality work
  + Giving worker low pay.
  + Monitoring and supervision of production process.
  + Undertaking market research.
  + Using good and beautiful packaging.
  + Using better methods of production/superior tools and technology or quality machines.
  + Observing technical specialization regarding quality and quantity
  + Using good storage facilities.
  + Employing skilled personnel / workers.
  + Encouraging specialization and division of labour.
  + Ensuring good working conditions and specialization to increase worker’s morale.
  + Practicing proper accountability of funds to avoid unscrupulous expenditure.
  + Using right quantity of raw materials to reduce on the number of workers so as to reduce labour costs.
  + Specifying duties and responsibilities of all employed persons to minimize conflicts, duplication of work and wastage of time.
  + Planning the production process layout to reduce slack times, repetitive and reduce unnecessary movements.
  + Numbering the storage bins and safe for easy reference and retrieval of the store material.
  + Establishing the time gap between placing an order and receiving the material ordered for to avoid delays.
  + Fixing time standards for all operations by clearly specifying the minimum and maximum times.

**(d) Marketing mix for the project.**

Write about;

* + Product
  + Price
  + Place
  + Promotion
  + Positioning
  + People/customers
  + Packaging
  + Planning

**Note:** Attach evidence

**(e)(i) Challenges failed when marketing**

* + Challenge of conducting effecting effective market research to identify the needs of customers.
  + Challenge of fixing affordable prices.
  + Challenge of identifying credit worthy customers to be offered credit.
  + Challenge of identifying appropriate promotion strategies.
  + Unfavorable weather like rain that hindered movements.
  + Challenge of selecting appropriate channel of distribution for the products.
  + Inadequate funds to implement the marketing activities of the business.
  + Challenge of introducing new products.
  + Competition with other sellers/ producers of similar goods of canteen.
  + Challenge of maintaining quality of the products.
  + Challenge of minimizing the marketing expenses.
  + Inadequate transport facilities to help in the marketing of the products.
  + High bargaining power of customers.

**(ii) How the above challenges were overcame.**

* + Packaging in different sizes and changing different prices to overcome high bargaining power of customers.
  + Carrying out marketing ourselves using word of mouth to minimize marketing expenses.
  + Producing cocktail juice to ensure quality production.
  + Advertising on the school assemblies to cope with competition.
  + Obtaining loans from the patron to raise capital for financing activities.

**(f) How the business avoided common causes of failure.**

* + Having a clear objective.
  + Ensuring effective planning.
  + Exhibiting good management and use of skilled labour.
  + Exhibiting good customer care.
  + Producing good quality as well as variety of products.
  + Ensuring appropriate pricing.
  + Using good selling and distribution methods.
  + Employing security personnel to safeguard business premises and assets.

**(g) How startup capital was raised.**

* + The source was subscription fee and share capital.
  + The meeting was held.
  + Students suggested various of capital including subscription fee, membership, buying shares, fundraising and donations.
  + It was resolved the subscription fee of shs 3,000 is paid by every member per year and 300 shares be sold at shs. 374,000/=
  + Idea was taken to the subject teacher.

**(h) Procedure followed when establishing the business.**

* + Patron/subject teacher informing the students about the need to start a business project as a UNEB requirement.
  + Choosing the school business club executives.
  + Carrying out research/survey on the various business.
  + Selecting the business project to undertake.
  + Preparing the business plan and constitution.
  + Raising the startup capital.
  + Constructing/obtaining business premises (if needed).
  + Purchasing inputs, tools and equipment.
  + Carrying out trial run/tests production.
  + Launching of the business project.
  + Commencing of actual production.

**(i ) Possible business we would have operated.**

Consider input – output relationship e.g for a fruit processing project – other businesses could be

* + Fruit kiosks to sell fruits to the project
  + Transport business - to deliver business inputs.
  + Restaurant - to sell eats alongside juice.
  + Guest house to host project visitors.
  + Orchard to supply fruits to the project.
  + Piggery to use the peelings and remains as feeds – Biogas production to process wastes into power.

**(j) Entrepreneurship skills acquired**

* + Time management skills, we learnt how to use time profitably for the benefit of a business.
  + Marketing skills, we were able to identify the customer’s need effectively.
  + Communication skills. We learnt how to call the members and friends to attend meetings and assemblies.
  + Interpersonal skills, we learnt to associate with people we used to fear.
  + Financial management skill. We learnt how to obtain, control and use funds effectively.
  + Leadership skills. We learnt how to direct, influence and motivate members and workers to perform their duties.
  + Planning skills. We were able to determine business goals and formulate policies and programmes for achieving them.
  + Skills for coping with changes that affect the business.
  + Creativity skills, we managed to come up with innovative solutions to student’s needs
  + Negotiation skills. We were able to persuade others during the bargaining process by being clear in communication and able to control emotions.
  + Purchasing skills. We learnt how to purchase inputs and equipment for the business.
  + Technical skills. We were given skills of how to manufacture cookies, half cakes, daddies and chapattis.
  + Writing skills, we got skills of how to note down whatever takes place in the business.

**(k) Record books used in the business project.**

* + Cash books – or recording transactions.
  + Visitors books- track business callers.
  + Attendance registers – business inventory in form of fixed assets.
  + Stock cards – Recording stock received and issued out.

**(l) (i) Action plan followed during establishing of the business**

|  |  |  |  |
| --- | --- | --- | --- |
| **Time frame** | **Activity** | **Person in-charge** | **Remarks** |
| Term 1 S.5 | Establishing the business club, registering members and forming a committee to write a club constitution | S.5 Members |  |
| Term 1 S.5 | Electing club leadership, registering the club with the school administration | Club members |  |
| Term 1 S.6 | Launching the business club, developing the business ideas and selecting what to set up and starting it. | Club members |  |
| Term 1 S.6 | Writing the business plan and raising funds for the club project and managing it. | Club members |  |
| Term 2 S.6 | Managing the business club project and later dissolving it | Club members |  |

**(ii) How members benefited from the school business club project**

* + Members gained skills
  + The products made were used.
  + Entrepreneurial characteristics were developed.
  + We related well with others.
  + We earned income inform of profit share.
  + We were given certificates of recognition for outstanding performa.

**(m) (i) Techniques used to make products unique in the market.**

* Using unique brand name and design
* Adopting different/unique advertising methods.
* Charging different prices.
* Using personalized packaging materials.
* Selling and producing in unique quantities.
* Changing the general quality of the products/texture.
* Using different approach when serving customers.
* Using a unique distribution strategy.
* Using different technology from what is used by competitors.
* Changing flavor.
* Colouring.
* Changing the shape of the product
* Changing the trademark.
* Blending.
* Advertising differently
* Note: Attach evidence.

**(ii) How the business idea was developed.**

* + The method used was brainstorming.
  + The meeting was held in …
  + Students raised various business ideas, including poultry, juice making, packing water, making shoe polish, making liquid soap selling fruits among other.
  + Their requirements were outlined and costed.
  + Their feasibility and viability were also evaluated.
  + Members resolved to undertake the making of snacks.
  + Idea was taken to the subject teacher.
  + Subject teacher took it to the head-teacher for approval then we were allowed to start.

**(n) (i) Market gaps the business project tried to fill**

* Low volume of stock for some snacks
* Absence of some sizes of daddies.
* Poor quality products especially half cakes.
* Absence of refreshments in school
* Nearby source of snacks.
* Variety of juice products

**(ii) Improving on the mixing of ingredients.**

* + Increasing production of all the goods.
  + Expanding the market size to tap the both local market and external market outside school.
  + Investing in production and supply of commodities most demanded but lacking on the market
  + Extending products to the customers
  + Producing variety of products.
  + Packaging in various sizes and charging different prices.

**(o) (i) Members based assessment of the business risks on the following factors.**

* + Experience and abilities of the person involved in business.
  + Viability of market.
  + Pricing policies and strategies.
  + Flexibility of the business
  + Honesty and reliability.

**(ii) Production process followed by the project.**

* + Carrying out market research, we asked students about products missing in school.
  + Developing a product idea.
  + Translating a product idea into product design.
  + Sourcing raw materials.
  + Carrying out actual production.
  + Packaging the product.
  + Branding the product
  + Storing the product.
  + Distributing the product.
  + Making a follow up with customers.
  + Making any improvement desired.

**(P) (i) Factors that influenced production decisions.**

* + Facilities and organization.
  + Sales potential
  + Costs
  + Sales promotion and growth.
  + Money requirements
  + Labour requirements
  + Supply sources
  + Transportation
  + Acceptance by community
  + Legal requirements.

**(ii)Reasons why the project is a good business opportunity.**

* + It had low start-up capital of shs 474,000/=
  + It was properly timed. It provided snacks which were missing in school.
  + It had sizeable market gap. People were willing and able to buy its goods.
  + It was related to our skills and experience. We were highly skilled in banking snacks.
  + It had good income potential. It provided enough profit of shs 600,000 which acted as a top up of our pocked money.
  + It had good growth potential It operated for a long period of time generating income to member.
  + Reasonable ease of entry into market. It was for other business to join the market.
  + Real demand. It responded to unsatisfied needs of students by supplying snacks that were missing at school.
  + Return on investment. The profits obtained of shs. 600,000 were acceptable in relation to the efforts and capital put in.
  + Availability of resources. The resources needed to operate the business were available.
  + Meets objectives. The business was able to meet the goals and objectives for the establishment.

**(q) (i) Financial plan for the project.**

Refer to the question 103(b) in project work and prepare a financial plan relating to

your business club project.

**(ii) Financial Management Activities**

* + Raising capital.
  + Purchasing machinery, raw-materials and stock.
  + Ensuring proper custody of documents related to finances i.e source documents.
  + Managing the business debts i.e collecting debts.
  + Maintaining books of accounts and other books.
  + Making payments to employees and suppliers.
  + Preparing financial statements.
  + Computation of financial ratios and interpretation of business transactions and activities.
  + Auditing of financial records.
  + Distribution of dividends.
  + Preparing budgets.
  + Banking surplus cash periodically.
  + Supervising daily cash receipts
  + Involving in financial decision making related to investment.
  + Ensuring efficient financial control.

**(r) (i) Basing for setting prices**

* + Cost of production
  + Profit margin required
  + Quality in which customers buy
  + Terms of sale whether on cash or credit.
  + Nature of the product.
  + Season of the term whether V.D, parties or normal classes.
  + Prices of competitors and school canteens.
  + Demand for the products.

**(ii) Time was wasted in our business activities in the following ways.**

* + Talking with people about personal matters un connected with work.
  + Having un necessary of extra-long group meetings.
  + Allowing too many interruptions.
  + Being disorganized.
  + Engaging in little or no delegation.
  + Being indecisive i.e failure to make decisions.
  + Being later or absent.

**(s) (i) Mechanism used for controlling business assets.**

* + Cash – by recording it, using daily reconciliation sheets, making frequent banking.
  + Accounts received card, analyzing accounts receivable on a regular basis.
  + Physical assets – by maintaining a file of information about assets, maintaining a depreciable schedule, engraving assets.
  + 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.

**Note if physical assets only; the controls are**

* + Numbering/engraving the assets.
  + Encouraging proper use of assets.
  + Maintaining a file of information on all assets.
  + Keeping properly the assets that are movable in a separate room.
  + Maintaining a depreciation schedule
  + Listing all depreciable assets.

(ii) The theory of change to have an operational business club project was

* + implemented by:-
  + Starting and explaining the vision of the club project.
  + Defining of the impact area. i.e school community and schools neighbourhood.
  + Estimating the outcome of the bakery project. A total of ….. shall be engaged with skills.
  + Determining the activities of the school club. These include…
  + Identifying of the inputs or resources for the business which include …...

**(ii) Ways of ensuring work station management.**

* Clearing the passage ways.
* Removing things that are not frequently used out of work area.
* Putting machine switches within.
* Easy reach of workers.
* Ensuring cleanliness of the work area.
* Increasing the natural ventilation.
* Improving the lighting system by keeping windows open.
* Providing stable work tables and chairs.
* Ensuring that working equipment.
* Enable workers to have the right working posture by adjusting height of equipment
* Ensuring that the work station is spacious and not congested.

**(t) (i) Costs that were incurred in staring managing the business.**

* + Costs of buying raw-materials.
  + Transport costs
  + Utility costs
  + Stationery costs
  + Labour costs.
  + Consultation/Training costs
  + Advertising costs.
  + Printing costs.
  + Construction costs. **Note: show evidence**

**(ii) Strategies used to minimize loss of funds**

* + Opening an account at the bursar’s office to keep the money.
  + Entrusting all the funds with the treasurer.
  + Keeping money in the business premises under key and lock/in a lockable safe.
  + Buying inputs from cheaper sources.
  + Avoiding appropriate prices to avoid making losses.
  + Avoiding credit sales.

**(iii) Methods of communication used in the project**

* Written communication
* Oral communication.
* Visual communication.
* Audio communication
* Audio-visual communication.
* Non-verbal communication.

**Note: Attach evidence in each case**

**(u) (i) Ethical principles**

* Honesty
* Promise keeping
* Integrity
* Compassion
* Respect for others
* Fairness

**(ii) Marketing strategies employed by our project**

* + Cold calling
  + Referrals
  + Networking
  + Giving free information to interested prospects
  + Advertising
  + Good customer care
  + Offering variety of products

**Note: Explain how each was practically used i.e evidence**

**(iii) How club executives maintained relationship with the members in the enterprise**

* + - Training of members.
    - Showing respect and dignity to members
    - Ensuring favourable working conditions.
    - Giving rewards like certificates.
    - Being fair to all members i.e avoiding favouritism.
    - Motivating club members properly by giving gifts.
    - Ensuring proper communication.
    - Knowing and understanding club members.
    - Showing empathy/concern to member’s problems.
    - Handling members’ grievances/conflicts fairly and tactfully.
    - Providing exemplary leadership.

**(iv) Factors considered when selecting sales promotion strategies.**

* + - Customer attitudes and buying patterns.
    - Brand strategy.
    - Competitive strategy
    - Advertising strategy.
    - External factors influencing products availability.
    - Price of the products.
    - Costs involved in sales promotion.

**V (i) Challenges faced when raising capital.**

* + - Delay in raising /payment of capital.
    - Limited / small amount raised per member.
    - Conflicts among members.
    - Theft of the funds from the treasure
    - Un co-operative members who did not want to pay.
    - Challenge of withdrawing it from school account since parents banked it with school fees.
    - Dishonesty of the treasurer.
    - Limited capital corrected which could not finance all planned activities.

**(ii) Innovation undertaken to improve the quality of products.**

* + - Mixing various spices in the products i.e blending.
    - Changing the shape of the product.
    - Adding artificial flavourings
    - Using different colours i.e colouring.
    - Packing in attractive containers/packaging materials.

**(iii) Entrepreneurial activities carried out.**

* + - Purchasing activities.
    - Production activities
    - Marketing activities.
    - Storing / store management.
    - Financial control and budgeting.
    - Managing labour/personnel.
    - Maintaining cleanliness.
    - Maintaining security.
    - Coping with competition.

**(iv) Factors considered when formulating marketing strategies.**

* + - Size of the enterprise.
    - Costs involved in marketing.
    - Price of the product.
    - Level of competition.
    - Nearness to customers.
    - Nature of the product.

**W (i) Sales promotion strategies**

* + - An advertising campaign.
    - Public relations activities.
    - A free sampling campaign.
    - A free gift campaign.
    - Trade stamps campaign.
    - Demonstrations and exhibitions.
    - Prize giving competitions.
    - Temporary prize cuts.
    - Tele-marketing.
    - Personal sales letters and e-mails.

**(ii) Steps followed when preparing an operational budget.**

* Setting the business goals for the budgeted period.
* Setting the objectives.
* Setting the activities to be performed and their timetable.
* Estimating the sales to be made.
* Estimating the cost of goods/services to be sold
* Calculating the gross profit.
* Estimating the selling, general and administrative expenses.
* Estimating the net profits.
* Applying tax rate to establish the tax payable if the profits are taxed.
* Deducting the tax payable from the net profit to estimate the net profit after tax.

**(iii) Why some club members resisted change.**

* It benefits some while it hurts others.
* It is costly.
* It is time consuming.
* Stubbornness of some entrepreneurs.
* For security purposes
* In adequacy i.e inability to cope with change.

**(iv) Characteristics of good action steps.**

* They produce a clear impact.
* Have clear start and end times.
* Have measurable results.
* They are simple.
* They are in a logical order.
* They encourage the progress towards achieving a goal.

**(x) (i) Justification that the business is a micro-enterprise.**

* small capital was used to start the business.
* Simple technology was used.
* It mad low sales of ………………
* Employed few people.
* It was not registered before commencement.
* Did not have fixed premises.
* Used club members to provide most of the labour needed.

**(ii) Strategies for overcoming resistance to change.**

* + - Involving those resist change in the change process.
    - Building support networks.
    - Having early communications and discussions
    - Using managerial authority and status.
    - Offering assistance to those involved.
    - Offering extra incentives.
    - Encouraging and supporting those involved.

**(iii) Measures employed to maximize profits.**

* Charging higher prices for goods.
* Selling on cash basis.
* Reducing on the number of workers.
* Minimizing the wage bill.
* Buying cheaper but quality raw-materials.
* Increasing sales through sales promotion.
* Producing high quality goods to minimize advertising costs.

**(iv) How the business increase its inflows.**

* Obtaining a loan.
* Collecting money from debtors.
* Selling more shares.
* Obtaining donations.
* Lobbying for contribution from parents.
* Organizing fundraising.

**(Y) Factors which made the business.**

* + Availability of good infrastructure.
  + Presence of market.
  + Availability of market/real demand
  + Acceptability in the community.
  + Legality of the project.
  + Existence of nearby source of raw-materials
  + High students’ population.

**(Z) How the business was dissolved.**

* A meeting was held about dissolution of the business.
* The treasurer presented financial statements in the meeting.
* The fixed assets were sold off to other clubs.
* Total proceeds and profits of Shs …………….. were shared amongst members and each received shs ……………………..
* Members made plans of how to continue with the business project in vacation.

**FIELD ATTACHMENT**

**117 (a) Executive summary of the business I was attached to; Note: include the following showing evidence.**

* + The background of the business. Show location, address and ownership of business.
  + Objectives of the business (short term).
  + The products/services the business offers.
  + The overview of the market for the product/services.
  + The competitive advantage of the business.
  + The projected growth of the business.
  + The key members of the business- stakeholders.
  + Funding requirements of the business.
  + Future plans of the business.

**(b) Steps followed by the entrepreneur in determining potential market size.**

* + Establishing total number of homes in a targeted area.
  + Establishing the average annual household income.
  + Multiplying the total number of homes and average household income to arrive at the total annual income for particular trading area.
  + Establishing what percentage of household income is spent on the specific product category by a particular group.
  + Multiplying to arrive at the value (size) on total annual market in the trading area.

**(c) Factors considered when determining working capital requirements.**

* Size of the enterprise.
* Total capital of the business.
* Production capacity.
* Cost of raw-materials.
* Value of fixed capital.
* Terms of sale and purchase of goods.

**(d) Factors the entrepreneur considers when evaluating business competition.**

* + Volume of sales.
  + Technology used.
  + Flow of personnels/personnel used.
  + Flow of customers on a daily basis.
  + Production orders.
  + Cash flows.

**(e) Business laws observed by the business**

* + Business name registration Act
  + Land Act.
  + Employees Act
  + Customer Protection Act
  + Public Health Act
  + Environmental Act
  + Employees Act
  + Weights and measures Act.
  + Company law/Act.
  + Trade Licensing Act.

**(f) Challenges faced when conducting market survey.**

* + Resistance from competitors.
  + Inadequacy of resources.
  + Obtaining false information.
  + Variations in customer’s tastes and needs.
  + Choice of wrong sample target group.
  + Changes in the market trends which makes collection difficult.
  + Low level of education off the respondents.
  + Inadequate skills of handling data collection.
  + Inadequate data.
  + Changing environment trends.
  + Language differences.
  + Insecurity in some market places.
  + Under developed infrastructure.

**(g) Procedure for establishing an effective personal brand.**

* + Determining who you are.
  + Determining what to do.
  + Positioning yourself.
  + Managing your brand.

**(h) Components of marketing communications mix**

* + Advertising.
  + Sales promotion.
  + Public relations and publicity.
  + Personal/creative/direct selling.
  + Direct marketing.
  + Online marketing.

1. **Techniques of negotiating with customers the business employs when** marketing its products.
   * + Communicating frequently.
     + Offering customer’s rewards.
     + Holding special events.
     + Ensuring that negotiation’s promote a two-way communication.
     + Enhancing customer’s service
     + Launching multi-cultural programs.
     + Visiting the customers
     + Using non-product valve methods.

**(j) (i) Financial statement prepared by the enterprise**.

* Trading Account
* Profit and loss account
* Balance sheet.
* Cash flow statement.

1. **Purpose of developing the about financial statements.**
   * + Cash flow statements – to project cash inflows and cash out flows of the business.
     + Trading account – to ascertain gross profit or gross loss for the period.
     + Profit and loss account – to find out the net-profit or net-loss for the period.
     + Balance sheet - to show the financial position of the business.

**(k) (i) How the business ensures customers satisfaction.**

* Provision of quality products/services.
* Provision of credit facilities.
* Provision of variety of products.
* Provision of goods a cheaper prices.
* Extending goods nearer to customers.
* Providing sufficient information about use of the products.
* Being kind/cheerful when serving customers.
* Ensuring proper packaging of goods
* Offering after sales services.
* Being honest/transparent when serving customers.

1. **How the business ensures proper employee handling and retention.**

* Paying them fairly and promptly.
* Ensuring job security.
* Ensuring fair terms and conditions of payment.
* Ensuring good working conditions.
* Monitoring and supervising of workers closely.
* Increasing salaries appropriately.
* Appreciating of workers.
* Promoting workers on merit.
* Involving workers in decision making.
* Ensuring effective communication (transparency).
* Providing proper distribution of duties and responsibilities.
* Organising parties for workers.
* Giving workers fringe benefits.
* Training of workers
* Encouraging team work.
* Ensuring proper management of workers’ discipline.
* Showing concern to workers’ problems.
* Carrying out objectives performance appraisal.

**(l) (i) Marketing innovation used by the business attached to;**

* Product design.
* Packaging.
* Pricing.
* Promotion / advertising.
* Distribution.
* Personal marketing.
* Slogan.

**(ii) How the business manages credit sales.**

* + - Fixing a maximum value of goods to be sold on credit.
    - Giving cash discounts to encourage debtors pay promptly.
    - Accepting any other mode of payment.
    - Giving credit to only credit worthy customers.
    - Rescheduling the payment dates to make it convenient for the debtors.
    - Imposing penalties debtors who fail to clear in time.
    - Asking for collateral security from debtors before granting them credit.
    - Documenting all credit sales.

**(m) Resources available in the area that favoured establishment of the business.**

* Natural resources e.g land, forests, water.
* Financial resources e.g capital, cash.
* Human resources e.g employees, managers etc.
* Technologies resources e.g laboratories, research centres, machines, tools.
* Information resources, possession of the required knowledge on various aspects.
* Time resources - having an opportunity to do something.
* Material resources e.g building machines etc.

**(n) Ways in which the family can support the business.**

* + Assisting in management/providing cheap labour.
  + Providing assets for business to use.
  + Giving moral support to the entrepreneur.
  + Paying for business licence.
  + Renting for the buildings.
  + Buying tools, machinery, equipment and furniture.
  + Purchasing raw-materials for the business.
  + Providing market for business products.
  + Providing capital to the business.
  + Providing technical advice on how to run the business.
  + Conducting/spearheading market research.
  + Supervising and monitoring business activities
  + Provision of security.

**(o) Marketing activities of the enterprise.**

* Finding out customer’s needs.
* Developing products in line with customers’ needs.
* pricing products.
* Promoting products.
* Distributing products.
* Selling products to customers.
* Ensuring customer care.
* Performing after sales services.

**(p) (i) How the business handles customer’s complaints.**

* + - Listening to the complaints of customers and evaluating them.
    - Exhibiting customer care.
    - Compensating them with price reductions.
    - Replacing the products in case previous purchases have problem/ are not good.
    - Improving the quality of business.
    - Serving customers with pleasantness.

1. **Tools used by the entrepreneurs to monitor business operations.**

* Production targets
* Sales targets.
* Stock records.
* Operational budget.
* Balance sheet.
* Cash flow statements
* Departmental reports.
* Books of accounts.
* Work order forms.
* Work schedules.
* Profit targets.
* Source documents.
* Bank statements.

**(q) (i) Functions of the entrepreneurs in managing a business.**

* + - Planning.
    - Organizing.
    - Staffing.
    - Leading
    - Controlling.
    - Communicating
    - Motivating
    - Budgeting.

**(ii) Importance of segmenting the market**

* + - Helps to match customers’ needs better.
    - Increases business profits.
    - Ensures better opportunities for growth.
    - Help to retain more customers.
    - Ensures appropriate target marketing communication.
    - Enables gaining of share of the market segment.
    - Helps to determine the level of competition and achieve a competitive advantage.

**(r) (i) Describe of the customers of the business attached to should be on the basis of**

* + - Age.
    - Sex.
    - Location.
    - Occupation/employment.
    - Income.
    - Leisure activities.

**N.B; Endeavour to describe giving evidence.**

**(ii) Benefits of investing in shares**

* Earns dividends.
* Leads to capital gains if share are sold expensively.
* Easily transferred to another person-negotiable.
* Obtain right to attend and vote in AGM.
* Acts as collateral security when obtaining a loan.
* Value of shares grow as capital grows.

**(s) (i) How the business ensures good customer care.**

* + - Serving customers with pleasantness.
    - Allowing customers to bargain over prices.
    - Possession of sound knowledge about the product.
    - Opening for long hours.
    - Being available at the selling point.
    - Offering prompt services.
    - Providing after sales services.
    - Guiding customers on product usage.
    - Greeting customers on arrival to the business premises.
    - Reducing prices for customers.
    - Allowing credit sales

**(ii) How the business attached to ensures sustainability**

* + - Re-investing profits.
    - Insuring the business.
    - Diversifying risks. Having more than one production line/starting other business.
    - Following legal procedures/laws/rules and regulations set by the state/operating legal business.
    - Avoiding drawings.
    - Training of members.
    - Maintenance and expansion of market.
    - Ensuring social responsibility
    - Minimizing production costs.
    - Having appropriate inventory.
    - Raising capital from external sources.
    - Carrying out good customer care.

**(t) (i) Social costs of the business I was attached to.**

* + - Noise pollution by machines
    - Environmental degradation by cutting down trees.
    - Pollution of air by releasing poisonous fumes.
    - Improper waste disposal which lead to water pollution

**(ii) Measures being employed by the business to overcome social costs stated in (d) (i) above.**

* + - Using silent machines/noise silencing machines.
    - Choosing raw-materials with less impact on the environment.
    - Treating the industrial wastes before disposal and gazeting a specific place for disposal of water.
    - Conserving the forests/trees by practicing re-afforestation.

**(u) (i) Techniques used by the owner when bargaining with customers.**

* + - Communicating well.
    - Avoiding dominating the customers.
    - Convincing the customer as to why the product being sold at the offer price.
    - Giving counter offer like price reductions.
    - Offering delivery services.

**(ii) Impact of the business I was attached to the local community positive impact.**

* + - Creates employment opportunities.
    - Offers market to goods in the community.
    - Provides goods and services.
    - Offers training/skills development.
    - For study purposes for student/academicians.
    - Develops infrastructure.
    - Utilizes the would be idle resources.
    - Contributes to community development programmes.
    - Attends to the community in emergency situations.

**Negative impact**

* + - Pollutes the environment
    - Leads to deforestation.
    - Leads to over exploitation of resources.
    - Improper waste disposal.

**(v) (i) How the business handles business documents.**

* + - Signing them as soon as they are received.
    - Entering the records in the appropriate subsidiary books.
    - Keeping the documents in files for reference purposes.
    - Checking the goods alongside the documents.
    - Stamping the documents.
    - Training for errors on the documents received.

**(ii) How the business attached to handles inventory.**

* + - Buying from suppliers with shorter lead time/fixing or setting lead time.
    - Setting a high re-order level.
    - Ensuring steady supply of working capital.
    - Avoid under stocking and overstocking.
    - Establishing a good storage system to enable easy retrieval of materials stored.
    - Monitoring the flow of stock.
    - Employing a storekeeper to manage the store.
    - Keeping accurate inventory records.
    - Mechanizing the storage system.
    - Carrying out periodic stock taking.
    - Ensuring tight security.
    - Carrying out stock reconciliation
    - Carrying out physical stock counting.

**(w) (i) Controls to ensure flow of funds.**

* + - Reducing or increasing inventory to match sales requirements.
    - Not using cash from the business for personal use.
    - Negotiating with suppliers for extension of payment dates.
    - Using forecast to develop useful cash budgets.
    - Shopping for favourable interest rates and availability of funds to borrow.
    - Analyzing expenses to reduce costs and eliminate waste.
    - Controlling receivables too collect money as soon as possible.
    - Raising prizes to increase gross profit or low them to increase sales.
    - Developing good purchasing practices.
    - Minimizing the wage bill.

**(ii) Controls used by the business to ensure quality.**

* + - Checking out the merchandise to ensure that it is up to the set quality standards.
    - Monitoring and supervising the production activities
    - Surveying customers all the time to determine whether they are satisfied with the level of product quality/carrying out market research.
    - Discussing the product returns with customers to discuss their source of discontent and withdrawing the goods not liked.
    - Carrying out pre-test of material used before final production is done.
    - Motivating the staff to work whole heartedly towards producing quality goods.
    - Spotting slow moving items and reducing price to get rid of them.
    - Checking goods every day to check for expiry date.
    - Doing regular checkups/stock taking.

**X (i) Elements that influence quality standards in the business attached to;**

* + - * Quality policy.
      * Quality control.
      * Quality system.
      * Quality assurance
      * Quality planning.

**(ii) Source documents used by the business.**

* + - * Receipts
      * Invoices
      * Credit notes
      * Debit notes
      * Cheque counter foils and cheques
      * Goods received notes.
      * Good returned note.
      * Payment voucher.
      * Petty cash voucher.
      * Purchase orders.
      * Delivery notes.
      * Statements of accounts.
      * Bank withdraw/deposit slips
      * Remittance note.

**Note: show how each is used i.e evidence**

**Y (i) Factors the entrepreneur considers when developing products.**

* + - * Customers’ needs
      * Products of competitors.
      * Product attributes e.g quality, colour taste.
      * Government policy on product design
      * Desired weight.
      * Lifespan of the product.
      * Standards set by supervisory authority like UNBS.
      * Nature of the product.

**(ii) Items that constitute cash outflows**

* + - * Direct costs.
      * Cash payments on labour related expenses.
      * Cash payment for indirect / over heads.
      * Payments for purchase of fixed assets.
      * Cash payments to shareholders’ dividends.
      * Loan interest payment
      * Payment for commissions, awards, fine etc

**(z) (i) Legal form of the business attached to.**

* + - Sole proprietorship.
    - Partnership.
    - Joint stock company (private or public).
    - Co-operative. OR
    - Wholesale trade
    - Retail trade. OR
    - Manufacturing/processing business
    - Agri-business.
    - Trading business.
    - Service provision business.

**(ii) Justification that the business attached to is a medium enterprise.**

* + - It operated from well-established and permanent business premises.
    - Uses advanced technology
    - Produces on large scale.
    - A lot of capital was used to start.
    - It is formerly registered as a limited liability company.
    - Produces both for local market and export.
    - It employs many workers above 1000 workers.
    - Its sales revenue is high. It makes annual sales of shs……………..
    - It has many assets exceeding shs 1,000,000,000 in value.

**FIELD TRIP**

**The field trip was carried out as a group**

**118 (a) (i) Aims of the field trip.**

* + - To visualize what takes place in enterprises.
    - To relate theory to practical work.
    - To introduce myself/our selves to the field of research.
    - To expose myself /ourselves to the business world.
    - To acquire interpersonal skills.

**(ii)Description of the nature of the business.**

Refer to 9th. 116(a). Use present tense since the business still exists.

**(iii) Site plan should capture the following**

* + - Routes connecting to the site.
    - Dimensions (size of the facility).
    - Frame.
    - Entry/exit gates.
    - Security check points.
    - Reception / administration block.
    - Packing yard
    - Processing room.
    - Inspection room.
    - Maintenance room.
    - Stores
    - Employee facilities e.g changing rooms, toilets, rest rooms, church, mosque.
    - Weighing /grading/packaging/branding rooms.
    - Waste disposal bin/pit.
    - Water source/point.
    - Power/generator room.
    - Staff quarters.
    - Passage ways/walk ways.
    - Dimensions of each facility.

**(b) Categories of inventory possessed by business**

* + - Raw-material
    - Work in progress.
    - Finished goods.
    - Office supplies.
    - Assets under repair.

**(c)How the business visited handles difficult customers.**

* + - Acknowledging and evaluating customer’s objections fairly.
    - Listening carefully to the word being used and feelings being expressed by customers.
    - Getting the customers to open up so that the basis of their being difficult is understood.
    - Buying time by suggesting that the matter will be looked at later.
    - Holding arguments until the customers by price reductions or refund/replacement of goods in case the previous purchase had a problem.

**(d)What made the business visited viable**

* + Acceptability in the community.
  + Availability of good infrastructure.
  + Favourable government policy on investment.
  + Availability of required technical skills.
  + Availability market/real demanding.
  + Explain showing evidence.

**(e) How the business establishes customer satisfaction.**

* + Calling them on phone.
  + Sending them a customer satisfaction guide.
  + Face to face interaction.
  + Mailing them a questionnaire.

**(f) Factors the business considers when determining the number and nature of workers to recruit.**

* + Type of skills required.
  + Number of jobs available.
  + Family members supporting the business.
  + Cost of hiring labour in relation to business output and profits.
  + The level of demand for products.
  + The level of technology used in business.
  + Cost of labour.
  + Size of the business.
  + Source of employees.
  + Workers experience.

**(g) (i) How the business ensures proper waste management.**

* + Treating wastes before disposal.
  + Gazzetting a specific place for disposal of wastes.
  + Recycling some waste materials to make animal feeds and fertilizers.
  + Installing dustbins in all corners of the workplace to minimize littering.
  + Providing adequate ploreclives to employees.
  + Training employees in waste management.
  + Improving ventilation for easy air circulation.

**(ii)The business visited ensures proper maintenance of its productive machinery, tools and equipment in the following ways**

* + - Training workers regarding machine usage.
    - Covering machines when not in use.
    - Giving workers clear instructions and operational manuals on how to use machines.
    - Switching off machines when not in use
    - Cleaning machines regularly to minimize wear.
    - Installing warning labels to guide on machine usage.
    - Ensuring proper installation of machinery to avoid power short circuits.
    - Avoiding use of compressed hair that forces dust into guide ways.
    - Using machines for their intended tasks.

**h (i)The business ensures effective communication in the following ways.**

* + - Using appropriate communication medium.
    - Communicating in a noise free environment.
    - Sending messages at an appropriate time.
    - Sending clear messages.
    - Considering the receiver in mind when sending messages.
    - Being straight to the point and not vague.
    - Being sincere to the point and not vague.
    - Giving the messages in the fewest words possible but making it complete.
    - Sending complete messages with all relevant details.
    - Sending correct messages to avoid errors.

**(ii) Criteria for evaluating the business visited.**

* + Present market.
  + Market growth
  + Business risks.
  + Entrepreneurial skills.
  + Personal interests.
  + Commitments.
  + Capital base.

**(l) How the sales personnel clear doubts of customers without entering into controversial arguments and loosing temper.**

* + - Using a yes – but approach.
    - Asking counter questions.
    - Restating objections.
    - Giving direct response.

**(j)Measures undertaken by the business to promote good employee relations.**

* + - Ensuring proper communication.
    - Ensuring empathy.
    - Ensuring proper motivation.
    - Treating workers with dignity and respect.
    - Putting in place proper ways of handling grievances.
    - Providing good leadership.
    - Creating a favourable working environment.
    - Knowing workers well and by names.
    - Promoting economic satisfaction of workers.

**(k) (i)Ways of promoting gender equality.**

* + - Carrying out rotation of duties among men and women.
    - Employing both male and female employees.
    - Giving equal payment to both male and female employees.
    - Giving change to all employees to both male and female employees.
    - Involving all sexes in decision making.
    - Assigning similar to both male and female employees.
    - Giving all workers change to access promotions.

**(ii) Opportunities in capital markets.**

* + Bonds.
  + Stocks and shares.
  + Unit trusts.
  + Collective investment schemes.
  + Commercial papers.
  + Treasury bills.

**(l) Indicators of good customer care.**

Refer to N0. 117 S(i), **(m) (i) Factors considered when selecting suppliers of inputs.**

* + - Terms and conditions of payment
    - Lead time.
    - Distance from the supplier.
    - Price charged by the supplier.
    - Quantities available for supply
    - Quality of the materials supplied.
    - Taxes and regulatory procedures.
    - Reputation of the suppliers.
    - Transport mode and availability.
    - Ease of communication with the suppliers.

**(ii) Benefits of investing in bonds.**

* + They are predictable i.e interest to receive is known.
  + Bonds are steadier than equity instruments since interest is fixed.
  + People earn a predictable amount of regular income from bonds.
  + Interest rate paid are higher than those banks give on savings accounts.
  + Bonds are more safe especially when issued by government and reputable corporations.
  + Enables saving for the future being long-term.

**(n)How the business manages time to promote efficiency.**

* + - Establishing deadlines for specific work.
    - Setting goals to be followed. Being reflective.
    - Planning the next days activities before a day ends.
    - Avoiding unnecessary activities to be done.
    - Prioritizing work according to time.
    - Advising workers to prepare a to do list keeping diaries and noting down activities to be done.
    - Delegating duties.
    - Conducting meetings properly/professionally on time.
    - Making decisions quickly.
    - Choosing the quickest, safest and most convenient time and mode of travel.
    - Avoiding queering.
    - Reducing paper work.

**(o) (i) Causes of product failure.**

* Poor timing of launch.
* Poor product distribution.
* Poor market research.
* Poor quality of products produced.
* Poor product positions.

**(ii)How the business visited avoids failure.**

* + Ensuring suitable location.
  + Having clear objectives.
  + Ensuring effective planning.
  + Establishing good management and use of skilled labour.
  + Establishing good customer care.
  + Producing high quality products.
  + Ensuring appropriate pricing.
  + Using good selling and distributing methods.
  + Employing security personnel to safeguard business assets.

**(p) Steps followed when starting the business**

* + - Developing a business idea.
    - Spotting and selecting a business opportunity.
    - Conducting a market survey.
    - Selecting a legal form of business.
    - Sourcing of business funds.
    - Selecting technology and machinery.
    - Locating the business.
    - Registering and licensing a business.
    - Putting infrastructure for a business in place.
    - Commencing business operations.

**(q) What made the business successful?**

* + - Suitable location.
    - Good managerial skills.
    - High capital investment.
    - High demand for the products.
    - High quality of products produced.
    - Increased rate of advertising.
    - Clear objectives set.
    - Effective planning.
    - Monitoring and supervision of the business.
    - Recruitment of skilled labour.
    - High out-put produced.
    - Presence of utilities and business infrastructure.

**(r) Indicators that portray discipline in the business visited.**

* Presence of work rules well displayed.
* Presence of an organizational chart.
* Punctuality of workers.
* Motivation of workers.
* Attendance/arrival book for workers.
* Equal fair treatment of all workers.
* Friendly supervision of workers.
* Regular meetings.
* Timely effective communication.
* Co-operation and teamwork among workers.
* Allowing employees to participate in decision making.
* Absence of strikes.

**(s) (i) Advantages of registering a business.**

* + - It wins government contracts and tenders.
    - Accesses banking services like loans.
    - Promotes recognition of the business.
    - Widens markets for business products.
    - Makes the business access human resources.
    - Differentiates a business from others since a unique name is registered.
    - Business can be assisted in emergency situations by the security organs.

**(ii) Developmental changes that took place in the business.**

* + - Widening the scale of production.
    - Construction of more buildings.
    - Purchase of more machines.
    - Recruitment of skilled labour.
    - Installing quality control mechanism.
    - Renovation of the plant.

**(t) (i) Benefits of turning the business into a social enterprise.**

* + - It improves people’s standards of living.
    - Generates new goods and services.
    - Activates participation of all community members.
    - Embraces democratic processes.
    - Improves regional resources in a better way.
    - Empowers people to change their lives.
    - Creates wealth through investment.
    - Helps the marginal group in the community.

**(u) Benefits the business enjoys by interpreting financial statements.**

* It’s able to compare performance of the business with similar businesses.
* Provides basis for making future business policies.
* Determines whether the business has enough cash to meet its financial requirements.
* Enables prospective investors to evaluate the business and shares so as to decide whether to buy or not.
* Compares performance of the business overtime.
* Determines the financial control of the business.
* Points out deficiency of various departments or branches of a business.
* Co-ordinates activities of the business for effective management.
* Makes users able to determine future results basing on past trends.

**(v) Factors that the owners consider when recruiting workers.**

* + - Level of education and training.
    - Personal appearance of a worker.
    - Level of experience.
    - Age of an employee.
    - Communication and interpersonal skills
    - Marital status.
    - Sex of an employee.
    - Distance from the enterprise.
    - Health status of the employee.
    - Language spoken by the employee.
    - Number of workers required.
    - Cost of an employee.
    - Size of the organization.
    - Nature of work to be done.

**(w) How proper work organization is ensured.**

* Eliminating some tasks using machines.
* Using quality circles to improve quality and productivity.
* Ensuring that each task is under a leader.
* Re-arranging the work place layout to improve efficiency.
* Keeping workers alert and reduce fatigue through frequent change of tasks.
* Employing specialists in the right tasks.

**(x) (i) Benefits of work scheduling.**

* + - It enables timely completion of work.
    - Facilitates sequencing of work.
    - Co-ordinates work in one field with that in other fields.
    - Builds a good image of the business.
    - Reduces redundancy of workers.
    - Enables business to get more contracts.
    - Enables an entrepreneur to serve interests of customers.
    - Reduce time wastage.

**(ii) Factors considered when analyzing business competition.**

* + - Size of competition/number of competitors.
    - Profitability of competitors.
    - Operating methods.
    - Description of competitors.

1. **Competing areas other than price.**

* Quality of products/services.
* Hours of operation.
* Skills of personnel.
* Servicing, warranties and packaging.
* Methods of selling/distribution channels.
* Location, advertising and sales promotion.
* Reputation of the company.
* Inventory levels.

**(y) (i) Indicators of a positive impact of business on the community.**

* + - Health community members due to many goods sold.
    - Business has planted trees in its compound and along the road to the production unit.
    - Has constructed a borehole for the community.
    - Participates in cleaning of the market street on the first Saturday of every month.
    - Employs 25 people from the local community thus has reduced unemployment problem.
    - Provides products to residents of the community.
    - Community members are allowed to come for research.
    - Opened up a school for primary and secondary section to empower and educate community members.
    - Employs 03 disabled people.
    - Has reduced poverty levels and has created wealth and rich community members.
    - Constructed a sick bay which even attends to community members.
    - Nurtured democratic processes.

**(ii) How the enterprise avoids face-lifting by employees and customers.**

* + - Installation of security surveillance gadgets like cameras, mirrors etc all over the workplace.
    - Having security guards at the entrance.
    - Entrants being made to leave luggage at the entrance.
    - Having many workers stationed at entry and exit points of the stores and show rooms.
    - Re-branding of products bearing the company name.
    - Customers being made to surrender receipts/cash sale slips to the guards at the entrance for checking.
    - Using packaging materials bearing the company names and logo.

**(z) Reason why the proprietor of the business visited terminates the services of some employees.**

* + - To reduce expenditure on employees.
    - To get rid of indiscipline employees.
    - To motivate employees using negative rewards.
    - To attract employees with better skills.
    - To encourage creativity and innovation among workers.
    - To make other employees improve on their work.
    - To attain a competitive advantage over others.

***END***