

## **EXERCISES FOR S5 MEG&MCE**

### **PART II**

#### **UNIT ONE: INTRODUCTION TO ENTREPRENEURSHIP**

1. Define the following terms as used in entrepreneurship
  - a) Entrepreneur.
  - b) Intrapreneur. (2 marks)
  - c) Manager (2 marks)
2. What is the relationship between creativity, innovation and invention? (6 marks)
3. Differentiate between entrepreneurship and intrapreneurship. (2 marks)
4. The government of Rwanda is encouraging Entrepreneurship studies in Rwandan schools. Identify and explain any five reasons why studying Entrepreneurship is vital for Rwanda students. (5 marks)
5. Musoni's Mother is a business woman dealing in selling local handcrafts in Nyanza market. She wants to expand her business by coming up with new products like baskets, bangles, ear rings on the market. Advise her on which entrepreneurship process she must go through to become a successful business woman in Nyanza. (6 marks)
6. Record any two activities according to the stages of entrepreneurship process that you will go through in order to have a successful business club at your school. (10 marks)
7. Umuhire is a senior four learner who wants to start a small business project at home. Outline the stages of entrepreneurship process he must go through and identify any two activities involved in each stage. (10 marks)
8. Explain any five personal qualities that he should base on while looking for a club president in your school business club. (5 marks)
9. a) Suppose you are appointed as the representative of your school business club to address members of your local community about the qualities of an entrepreneur. Prepare a speech advising members of your community about what a good entrepreneur should be. (10 marks)  
b) State and explain any five types of Entrepreneurs. (10 marks)

**10. a)** Outline any four types of innovation. (4 marks)

b) What are the attributes of a good innovator? Give at least two attributes.  
(3 marks)

**11.** Explain any five importance of studying entrepreneurship in Rwanda schools.  
(5 marks)

**12.** Mutoni is a S.6 finalist and was able to get her A'level certificate. However, she did not want to look for a job but decided to start a saloon business with her hairdressing skills. Suggest and explain any two advantages and two disadvantages of such a decision.  
(4 marks)

## **UNIT 2: CAREER CONCEPT**

**13. a)** What do you understand by the following? (3 marks)

i) Career

ii) Career trajectory

iii) Career guidance.

b) With clear examples, differentiate between paid employment and self-employment.  
(2 marks)

**14. a)** uwamahoro is a S.2 student at Kagasa secondary school. She wishes to choose an appropriate combination at A'level that would determine her career. Explain to her on which sources of career information she needs to make an appropriate choice.  
(4 marks)

b) Which groups of people would provide uwamahoro career guidance before making her choices?

**15.** In Rwanda we have the problem of unemployment, under development, high population growth rates etc. explain how student business clubs and back home businesses are going to be a solution to those challenges. (5 marks)

**16.** With specific examples in your community, show how entrepreneurship has contributed to socio-economic development in Rwanda. (5 marks)

17. Muhire's Father is an army officer who wished his son to take up his career. However, Muhire decided to take up the career of becoming an accountant. Give and explain any five factors that influenced Muhire's career choice. (5 marks)
18. State and explain the steps that should be considered in choosing a career.
19. With clear examples, explain any five reasons why there are income differences between different careers.
20. Mugwanaeza completed her university in the field of accountancy and finance. She has been un-employed for five years. Explain any five causes that made her unemployed and suggest their possible solutions. (10 marks)

### UNIT 3: GOAL SETTING

21. In Kinyarwanda language they say "Akabando k'munsi gacibwa kare kakabikwa kure" meaning "one better thinks of the future while in the present"
- a) Explain in details what the above proverb means. (3 marks)
- b) How does the proverb relate to the real life situation? (2 marks)
22. Discuss any two personal qualities related to: (8 marks)
- a) Entrepreneurship
- b) Personal development.
- c) Engagement with society.
- d) Work place.
23. a) What is meant the term 'goal'? (1 mark)
24. b) Identify and explain various types of goals that you know by giving examples. (4 marks)
25. Giving examples, explain the qualities of a good goal.
26. Analyse the following examples of goals.
- i) I will become the chief legal advisor of Tigo Rwanda Company next year.
- ii) I will do a very big business.
27. iii) I will milk 400 liters of milk from my one cow every day.
- a) State whether they are good goals or not.
- b) Make the bad goals into good ones.
- c) Explain what is meant by MART goal?

28. You are joining S.4 next year, set any four personal goals that you would wish to achieve in that class. (4 marks)

#### **UNIT 4: BUSINESS LAWS**

29. a) What is meant by the term “business laws” (1 mark)  
b) Explain any four importance of business laws in Rwanda. (4 marks)
30. Explain any four responsibilities of any four legal institutions related to business in Rwanda. (4 marks)
31. a) Distinguish between a private sector business and a public sector business. (2 marks)  
b) State any two examples of businesses that fall under private sector and public sector. (4 marks)
32. a) Distinguish between sole proprietorship and partnership. (2 marks)  
b) Identify examples of sole trade businesses in Rwanda and state their two advantages and two disadvantages.
33. EJO HEZA business club wishes to write down the values and principles that they would wish to follow. You are the chairperson of the club responsible to guide the right-up of these principles. What elements/ components would you include in this partnership agreement? (15 marks)
34. Mukabera and Mugabekazi wish to start a Bakery business in Nyagatare district. Write down a partnership deed for them. (15 marks)
35. Kayitesi is an academic prefect of her school. She is also the president of the school business club at her school. Kayitesi and some of the club members wanted to start a project of making baskets, earrings, and bangles at their school. Students, Teachers and Parents are their target market. The project needs 200,000 Rwf as capital. Kayitesi and her members can't raise the capital individually but jointly. If they succeed, they expect to earn much profit from the business. One day, Kayitesi requested each member to return with 1200Rwf from home as capital for their business and promised they will share the profits when they start operating.
- a) From the statement what do we call the 1200Rwf that Kayitesi asked her club members to bring from home? (2 marks)

- b) Which benefits will this club enjoy in case they succeed in starting their dream business? (7 marks)
- c) Suggest the possible challenges this club is likely to face. (6 marks)
- 36. a)** Write in full “SACCOs” (2 mark)
- b) Explain any four principles of co-operatives in Rwanda. (8 marks)
- c) State and explain any five problems faced by co-operative movements in Rwanda. (5 marks)
- 37.** Examine the socio-economic contributions of co-operatives in Rwanda. (15 marks)
- 38.** You are the registrar of sole proprietor businesses in RDB. Musonera is a sole trader who wants to register his KAZI NI KAZI business. Identify and explain to him what is required of him to successfully register his business. (15 marks)
- 39.** Explain the benefits of registering a business in Rwanda and the likely consequences of not registering your business. (8 marks)

#### **UNIT 5: STANDARDISATION.**

- 40. a)** What is meant by the terms standardization and standards? (2 marks)
- b) Explain any five importance of setting standards for goods made in Rwanda (5 marks)
- 41.** Explain the standardization process.
- 42. a)** Identify and explain any four types of standards.
- b) Discuss any two roles of the main standardization bodies in Rwanda.

#### **UNIT 6: MARKET RESEARCH**

- 43.** explain the following terms: (3 marks)
- i) Market.
- ii) Marketing.
- Market research.
- b) Distinguish between a spot market and potential market. (2 marks)
- 44. a)** Mukabera Justin is a fruit farmer in Mareba sector, Bugesera district. Every month she produces pineapples, ovaccados, mangoes etc. on her farm. But because her farm id far away from town, she loses huge sums of money because most of the fruits can’t be kept

for a long period of time. Advise her on what she can do to find the market for her fruits.  
(10 marks)

b) Identify and explain the components of the marketing mix.

**45.** When buyers go to the market to buy products, each product they buy costs a different amount of money.

a) Why are different products sold at different prices?

b) Explain how prices are determined in the market.

a) Distinguish between sales promotion and advertising.

b) Give any three ways/ techniques of using sales promotions in a business.

**46.** Rugambwa is planning to start a poultry farm in his local village of Rusororo sector, Gasabo district. He has trust in you and believes you are capable of working at the farm as a marketing manager. Your duty on the farm is to market and sell eggs and off-layers. Explain the different marketing techniques you will use to market the poultry products so as to overcome competition from the mushrooming businesses dealing in the same project.

**47.** Explain the market survey process/ research process.

**48.** Charity and Chantal are busy chatting on whatsapp when a customer walks into the restaurant. They see the customer but continue talking and chatting. The customer makes an eye contact and asks for food. They act as if they have not seen him/her and the customer feels to go elsewhere.

a) Comment on the behaviors of charity and Chantal.

b) If you were these two girls, how would you conduct yourself towards the customer?

c) What benefits would the two girls benefit if they had given the customer attention?

#### **49. Youth in Agribusiness Rwanda**

To meet the food demand for the growing population will require moving from subsistence agriculture to technology-driven agriculture and to achieve this goal, the society needs skilled young people. However, youth participation in agribusiness is mainly constrained by limited knowledge on agribusiness skills, lack of start-up capital, lack of information on agribusiness opportunities, limited access to land and limited agri-entrepreneurship spirit.

Therefore AgriProFocus Rwanda will continue its activities in stimulating youth to become successful agri-entrepreneurs through linking, learning and leadership activities. Young

agripreneurs just need to be inspired on how they can turn their parents profession into an innovative, attractive and profitable business using modern technology and knowledge. With AgriProFocus Rwanda, this programme will focus on stimulating youth to become '*a new generation farmer*' in the value chains like potato, beekeeping and pineapple.

(i).What is meant by Agribusiness?

(ii) Mention any three types of agribusiness in Rwanda

(iii) Explain two major challenges facing agribusiness in Rwanda

(iv) What are the ways the government of Rwanda should use to over such problems?

**50.** You are planning to start a business of selling passion fruits in your community. You are looking for people who can supply you with fruits. So many people are willing to supply you with passion

a) Which criteria would you use to choose the best person to sell your fruits?

b) State and explain any three factors you consider when choosing someone to supply you the fruits.

**51.** Inyange industries has its main industry in Masaka, Gasabo district. Inyange has its customers. These customers get its products from traders who deal I selling and transporting from the industry to various product.

a) Identify some of the products produced by inyange.

b) Explain the various channels of distribution used by inyange for its products.

c) Discuss any three factors that affect the chain of distribution.

**52.** a) What is the relationship between business organization and business management?

b) Discuss the roles of accounting and finance department in a business organization.

**53.** State and explain the major roles of management in a business.

**54.** Madam Joseline owns and runs a poultry project in the suburbs of Musanze town. The project produces eggs, off-layers, broilers. Recently, she experienced shortages in supply of poultry feeds due to hiking prices. Therefore, the quality started to decline which made him some of the customers to move to the nearby competitors. This added the problem of limited supply.

Madam Joseline however realized the problem and took a loan from the bank to expand the business. She decided to increase production and recruited more staff.

- a) Suggest any two new posts to be filled in this project.
- b) What shall be the roles of these new staff in her business?

## **UNIT 8. FINANCIAL MANAGEMENT**

- 55.** Before money (coins and notes) were used as a medium of exchange in Rwanda, most people used barter trade to exchange goods and services
- a) Explain any five major problems that is associated with this system.
  - b) Explain any seven functions of coins and notes in the economic development of Rwanda's economy.
- 56.** Discuss any five uses of capital in business operations.
- 57.** Explain any five factors an entrepreneur should consider in choosing an appropriate source of capital.
- 58.** Mukamana borrowed 16,000 Rwf from a commercial bank at a simple interest. Five years later she paid an amount of 19200Rwf. What was the interest rate charged?
- 59.** A firm manufactures and sales a standard product known as “chocolate”. The selling price per unit of the product is 1,500 Rwf. The variable cost of producing the product is as follows: Direct material 400 Rwf per unit of the product Direct labour 150 Rwf per unit of the product Variable overheads 50 Rwf unit of the product The fixed costs incurred by the firm per period is 1,800,000 Rwf.
- a) Required: a) Determine the value of the variable cost.
  - b) Determine the BEP of the firm.
  - c) The quantity to be produced if the firm is targeting a profit of 900,000 Rwf.
  - d) What is the contribution per unit of the firm?
- 60.** Kwizera borrowed a sum of money at 12% simple interest per annum. After 5 years he paid 128,000Rwf. Calculate the sum of money borrowed.
- 61.** A manufacturing firm produces a simple product whose selling price per unit is 20 and the variable cost per unit is 12. The annual fixed cost of the firm is estimated at 160,000.
- a) What is the margin contribution?
  - b) Calculate the payback period.



c) Illustrate your answer.

- 62.** Dusabe John a senior six candidate who wishes to undertake a back home business project. However, he doesn't know where to find the required capital. Explain to him any five sources where he can raise capital to finance his business.
- 63.** Discuss any three advantages of using personal saving to finance a business and any two disadvantages of using a bank loan.
- 64.** Discuss any five types of interest.

## **UNIT 9: FINANCIAL INSTITUTION.**

- 65.** a) What is a financial institution?  
b) With examples, explain any four types of financial institution in Rwanda.
- 66.** Explain any 7 roles of the National bank of Rwanda.
- 67.** Bank of Kigali is a commercial bank that provides multiple services to Rwandan people and the general economy. Explain any seven roles of the bank of Kigali to the people of Rwanda and the economy in general.
- 68.** Every sector in Rwanda has a microfinance of saving and credit co-operative created in order to provide financial services to people with small incomes in the sector.
- 69.** a) Explain any four roles played by UMURENGE SACCOs in the socio-economic development of the people in those communities.  
b) Explain any three reasons why your school business club should open an account with UMURENGE SACCO.
- 70.** Nyirabisabo, the mother of Mugisha has a stagnant business in her community because she hasn't enough capital to grow her business. The mother refused to ask for a bank loan saying that the bank will sell off all her property in case she fails to repay. When she presented the situation to the son, Mugisha, the son said "NO LOAN, NO BUSINESS". What does Mugisha's statement mean?

## **UNIT 10: INITIATION TO ACCOUNTING.**

- 71.** Schematize and explain the accounting process.
- 72.** Why is it important to keep accounting records in a business enterprise?
- 73.** Identify any five users of accounting information and how they use it.

**74.** Nyirarukundo is a local market business woman in Musanze district. She buys agricultural products at a lower price and sell them at a higher price to get the profit. She doesn't sell her products on credit.

- a) Explain any five reasons why Nyirarukundo's decision is right
- b) What are the advantages of making uncontrolled credit sales in a business?

**75.** Semucyo, an entrepreneur dealing in hardware business has the principle that a person buying an expensive item without cash may pay in installments. This principle helped him to increase sales turnover since it facilitate customers getting expensive goods and raise their standard of living. Based on your senior four entrepreneurship skills, explain any situations that may make this principle a disadvantage to:

- i) Semucyo as an entrepreneur.
- ii) Customer (buyer).

**76.** a) Explain the following terms as used in accounting.

- i) Capital
- ii) Liabilities
- iii) Assets

b) The following items were extracted from the books of Muhire for the year ending 31<sup>st</sup> December 2018.

| Details            | Rwf     | Details        | Rwf    |
|--------------------|---------|----------------|--------|
| Stock              | 96,000  | cash at bank   | 10,500 |
| Sales              | 860,000 | debtors        | 21000  |
| Rent               | 5000    | creditors      | 14200  |
| Motor van          | 820,000 | equipment      | 194500 |
| Rent payables      | 5430    | telephone      | 18200  |
| Salaries and wages | 14600   | insurance      | 6900   |
| Land               | 92000   | raw materials  | 20000  |
| 2 year loan        | 175000  | bank overdraft | 30000  |

Categorize the information provided as: Assets, owners' equity and liabilities.

## **PART II**

- 1.** A contract is a legally enforceable agreement between two or more parties that creates an obligation to do or not to do particular things. As an entrepreneur you will be involved in numerous contracts. Some will be your clients, employees, landlords and still others with government agencies. Give instances when a contract can be terminated. **/10marks**
- 2.** Many ideas come to us and seem to present a good business opportunity but when they are really not feasible or workable. There are many indicators that can be used to identify whether a business activity is likely to be viable or not. Identify 5 of them **/5marks**
- 3.** briefly explain the following statement:  
**“a viable business come from a viable business idea” /5marks**
- 4.** As already observed, a need is a basic thing that an individual must have in order to survive as a human being. Dr Abraham Maslow observed that, these needs are in a hierarchy and the satisfaction of one leads to the desire for the other. Briefly explain those needs using Maslow’s pyramid? **/10 marks**
- 5.** with all essential elements of a written contract, formulate a written contract for employment. **/10marks**
- 6.** with reference to creative use of SWOT, identify how SWOTs are **USED** in business? **/8mrk**
- 7.** On 21<sup>st</sup> October 2016, PETER, a stationary dealer, bought goods as follows:
  - 80 Units ink pads at 26,555RwF per unit
  - 96 Units ribbons at 20,885RwF per unit
  - 110 Units file fasteners at 4,500RwF per unit
  - 152 box files at 3,900rwf each
  - All subject to 15% trade discount;
  - On 25<sup>th</sup> October 2014, peter returned 50 ink pads because they were damaged.

Calculate the amount to be paid by Peter. **/12marks**

**KEEP CALM, STAYHOME & BE SAFE!**