

Entrepreneurship

Date:22/06/2022
Period:14H00-17H00



END OF TERM III EXAMINATIONS

GRADE / LEVEL: SENIOR ONE (S1)

COMBINATIONS: ORDINARY LEVEL

DURATION: Three hours

MARKS:

..... / 100

INSTRUCTIONS

- 1) Write your names and index number on the answer booklet as written on your registration form and **DO NOT** write your names and index number on additional answer sheets if provided.
- 2) Do not open this question paper until you are told to do so.
- 3) This paper consists of **TWO** sections: **A** and **B**.
SECTION A: Answer **ALL** questions. **(55 marks)**
SECTION B: Answer **any THREE** questions. **(45 marks)**
- 4) Calculators may be used where necessary.
- 5) Show clearly all the working. **No marks will be given for answers which do not have all working steps.**
- 6) Use a **blue** or **black** pen

SECTION A. Answer ALL questions (55 Marks)

1. With one example on each, define the following terms:

- a) Profit **(3 Marks)**
- b) Competition? **(3 Marks)**

2. Develop any four qualities that an enterprising person should possess in order to fulfil the needs of an enterprise. **(6 Marks)**

3. Explain why diversity in business was less important a hundred years ago than it is today. **(5 Marks)**

4. Differentiate Blue collar workers from white collar workers and give one example on each. **(6 Marks)**

5. a) By using example on each, compare perishable goods and durable goods. **(4 Marks)**

b) Describe any two factors that makes consumption of a commodity to be high or low. **(2 Marks)**

6. Compare the rational use and irrational use of resources. **(4 Marks)**

7. Show any three ways how can a person manage his or her debt. **(4 Marks)**

8. In these days' business persons prefer the use of cash transaction to credit transaction. Explain any three reasons of their choice. **(6 Marks)**

9. Explain which mode of payment is suited for each statement below? **(6 Marks)**

- a) Food and clothes for your family **(2 Marks)**
- b) University education. **(2 Marks)**
- c) Buying a car. **(2 Marks)**

10. Outline any four ways how availability of market contributes to business growth. **(4 Marks)**

SECTION B. Answer any THREE questions (45 Marks)

11. Work is very important in our life. Explain any five values of work to the Rwandan society. **(15 marks)**

12. Suppose your friend is an entrepreneur who wants to save for future project. With your friend, discuss any five factors that influence the different levels of savings among the people. **(15 Marks)**

13. Marie Jeanne is a business woman in Kigali city, she started her business with 1,000,000Frw. she deals in selling female beauty products like braids, fashionable bags, clothes, cosmetics among others. She only had one employee at the start of the business Today her business has a net worth of 10 million frw, 10 employees, 3 branches in Kigali and most people purchase from her because of her good customer care towards the customers. She attributes her growth to favourable government policies, good location among others. Examine any five factors that lead to business growth. **(15 Marks)**

14. Uwera and Muhizi are very good friends and they have a joint business selling food staffs, one day their supplier Gakire supplied goods that were not in good shape, as they were not appealing in their eyes and believed that their customers deserved better than what he had supplied to them. So, they called him to take the goods back because of quality problems. do you think they did well to return the goods? and if so, demonstrate any seven importance of ensuring standards in business? **(15 Marks)**

END

MARKING GUIDE-SENIOR ONE-ORDINARY LEVEL

SECTION A. Answer all questions (55 Marks)

1. With one example on each, define the following terms:

- a) Profit (3 Marks)
b) Competition? (3 Marks)

Answer

- a) **Profit** is the difference between money earned and the costs. Or it refers to the excess of selling price over the cost price.

Profit = selling price – cost price

- b) **Competition** is the situation where a business or an individual sells a product or service similar to other business.

2. Develop any four qualities that an enterprising person should possess in order to fulfil the needs of an enterprise. (6 Marks)

Answer

Qualities of enterprising person are;

- Wise eyes for establishing vision and setting goals.
- Sharp eyes for seeking out opportunities.
- Hands for changing direction of the business if necessary.
- Heart for passion, commitment and perseverance to stick with the business idea.
- Glands for adrenaline rush and for sweat during the hard work.
- Having strong needs for achievement
- Be a good planner.
- Be resourceful.
- Be goal oriented.

3. Explain why diversity in business was less important a hundred years ago than it is today. (5 Marks)

Answer

Diversity was less important in business due to the following;

- In the past most people did not travel far and only knew people from their own culture so, diversity was less important because we relied on our own culture or own resources
- Diversity was less important because we didn't need to interact with people who are different to us compared to today

- Our world was not a global village compared to that of today, there was not a global market like today
- People were not different in their regions that why they enjoyed their own culture
- Business could sell their products at a local market
- There was no competition with other people from other countries
- There was less technology unlike today where technology has eased every thing
- There was less knowledge regarding doing business e.g., no entrepreneurship education in societies

4. Differentiate Blue collar workers from white collar workers and give one example on each. **(6 Marks)**

Answer

Blue collar refers to workers who are traditionally associated with manual work. Blue collar workers offer physical labour with machinery, equipment or vehicles, etc. Blue collar workers often use tools or equipment or vehicles,... This term has originated as a result of the hard -wearing blue clothing workers who engage in manufacturing, trade-focused tasks or construction wear. They usually wear denim clothing hard enough to hold out against physical work. This is physical work. **(3 Marks)**

White collar refers to workers in office environments and professional employment. White collar employees typically engage in duties at a clerical level such as developing and implementing ideas. White collar jobs demand expertise and highly specialized skills from workers. White collar jobs are associated with businesspeople and office employees who represent the desk-based forms of employment. Example, Teacher, accountant, Head Teacher, Secretary, Entrepreneur, businesspeople.... **(3 Marks)**

5. a) By using example on each, compare perishable goods and durable goods. **(4 Marks)**

b) Describe any two factors that makes consumption of a commodity to be high or low. **(2 Marks)**

Answer

a) **Perishable goods** are goods that cannot be used or stored for a long period of time. Examples are meat, mango, fish, milk and tomatoes.

While,

Durable goods are goods that can be used or stored for a long period. Examples are bicycles, buildings, clothes, shoes, cars and so on.

b) Factors that may increase or lower the consumption of a commodity include,

- **Price of the commodity.** The higher the price of a good or a service, the lower the consumption and vice-versa. One consumes more if the price is low and consumes less when prices are high.
- **Income of the consumer.** If the income of the consumer is high, he or she will demand and consume more of a typical commodity than if his or her income is low.
- **Fashions.** If consumers' tastes are in favour of a certain fashion, consumption will be higher than when tastes are in favour of a certain fashions.
- **Expectation of price changes or Anticipation.** If prices are expected to rise, more of the commodity will be consumed than when prices are expected to fall.
- **Government policy.** If the policy of the government is in favour of a certain commodity, its consumption will be higher than when the policy is against its consumption.
- **Peoples' habits.** People with certain habits and preferences for a certain commodity tend to always consume more of that commodity, for example cigarettes and alcohol.

6. Compare the rational use and irrational use of resources. (4 Marks)

Answer

- **Rational** uses of resources involve the choice of option for achieving environmental economics and social effect when using resources like reduce charcoal and use gas, recycle certain product or using bio-degradable goods
While
- **Irrational** use of resources involves involve non equitable use of resources such as technological and industrial development, un controlled population growth, over exploitation of resources, overgrazing, overpopulation etc.
Or rational use of resources means proper or good ways of using resource **while** irrational means improper use of resources.

7. Show any three ways how can a person manage his or her debt. (4 Marks)

Answer

Ways of managing a debt include the following,

- Through avoiding unnecessary spending.
- Avoid buying something expensive while still in debts.
- Save money to avoid the need to borrow.
- Through making a budget in order to plan for your expenses.
- Through investing in productive activities.

8. In these days' business persons prefer the use of cash transaction to credit transaction. Explain any three reasons of their choice. **(6 Marks)**

Answer

Reasons why business persons prefer cash transaction

- **High bargaining power.** A buyer who pays cash can easily negotiate a price reduction or cash discount and take the goods at reduced price.
- **No risk of bad debts.** Selling on cash basis avoids risks related to bad debts that are never paid.
- **Source of working capital.** Cash sales enable the business to get working capital whereby the seller is able to use the received amount of cash to buy more stock and therefore, keep the business running smoothly.
- **Use of machines.** Cash transactions can be handled by machines through automatic vending machines where the buyer inserts money (usually coins) into the machine and the machine dispenses the goods e.g. A pool table.
- **Suitable for new customers.** Selling on cash basis is suitable for new customers whom the seller does not know and cannot trust with credit.
- **Fewer documents.** Cash transactions do not involve the seller writing many documents since all what is needed is a cash sale or receipt.

9. Explain which mode of payment is suited for each statement below? **(6 Marks)**

- a) Food and clothes for your family **(2 Marks)**
- b) University education. **(2 Marks)**
- c) Buying a car. **(2 Marks)**

Answer

a) **Foods and clothes for the family:** It better to user cash payment

- b) **For university education:** Use credit payment as it is applied in Rwanda
- c) **Buying a car:** Use instalment payment as it is applied for means of transport for leaders or (government officials).

10. Outline any four ways how availability of market contributes to business growth. **(4 Marks)**

Answer

How availability of market contributes to business growth.

- it increases sales of the business.
- increases profits of the business.
- encourages productivity in business.
- improves creativity and innovation which brings about new ideas hence business growth.
- it encourages competition which boosts business growth.

SECTION B. Answer any three questions (45 Marks)

11. Work is very important in our life. Explain any five values of work to the Rwandan society. **(15 marks)**

Answer

Importance of work are explained as below;

- Work is a source of food. The food we feed on is a product of work through agriculture and processing industries.
- Work is a source of income through salaries and wages or income from the sale of goods and services which helps to acquire the basic needs.
- Work promotes human health through the construction of health centres, treatment of people from many diseases and development of drugs.
- Work helps the body to be fit and health like some types of work which include playing football, athletics etc.
- Work enables people to acquire more knowledge through teaching.
- Work helps to keep law and order through the work of police officers, the army and security guards.
- Helps people to get goods and services through trading
- Work helps in building and maintenance of infrastructure such as construction of roads, schools and this leads to development of the country.

- Work preserves the culture. Some people work in order to preserve and promote their culture through dancing, singing and poetry.
- Work is a source of shelter as people are able to earn income that help them rent or build decent homes.
- Work is source of leisure and entertainment like sports persons, musicians, actors etc.
- Transport and Communication enable the movement of people and goods from one place to another as well as information can be transmitted.

12. Suppose your friend is an entrepreneur who wants to save for future project. With your friend, discuss any five factors that influence the different levels of savings among the people. **(15 Marks)**

Answer

Factors that influence different levels of savings include the following;

- **The level of income:** The higher the level of income, the higher the level of saving and the lower the level of income, the lower the level of saving.
- **The rate of interest:** If banks give a high interest on saving, people will be encouraged to save than when the interest is low.
- **People's attitudes towards saving.** If people's attitude towards saving is positive and in favour of saving, savings will increase than when people's attitudes are negative.
- **Rate of inflation:** The higher the rate of inflation, the lower the level of saving and the lower the rate of inflation, the higher the level of saving.
- **Level of education.** Educated people save highly because they know the value of saving unlike the less educated people who do not know the value of saving.
- **Government policy:** High taxes on people's income leads to low savings and low taxes leads to high savings.
- **Level of consumption:** The higher the rate of consumption, the lower the level of saving and the lower the rate of consumption, the higher the level of saving.

13. Marie Jeanne is a business woman in Kigali city, she started her business with 1,000,000Frw. she deals in selling female beauty products like braids, fashionable bags, clothes, cosmetics among others. She only had one employee at the start of the business Today her business has a net worth of 10 million frw, 10 employees, 3 branches in Kigali and most people purchase from her

because of her good customer care towards the customers. She attributes her growth to favourable government policies, good location among others. Examine any five factors that lead to business growth. **(15marks)**

Answer

Factors that lead to business growth include:

- **Location of the business.** A suitable location may determine the growth and success of a business, for example, near the market or consumers.
- **Good entrepreneurial traits.** For any business to grow or succeed, the owner must possess certain entrepreneurial qualities such as calculated risk-bearing, creativity and hard work.
- **Availability of business support services.** Such as information technology (IT), finance and insurance services that will help the business to grow.
- **Clear business objectives.** A business that has clear business objectives that define growth and success over a fixed period is more likely to grow and succeed.
- **Availability of market.** A large and increasingly growing demand or market for goods presents high chances for business growth and success.
- **Good customer care.** When business practices good customer care towards all its customers, the number of customers will increase, then a business will be able to make more profits thus leading to business growth.
- **Good and favourable government policy.** Government policies, such as fair taxation and control of inflation, are conducive for a business growth, leading to success.
- **Enough finances:** A business with enough finances is able to meet all its obligations such as pay workers, taxes, insurance and much more which in turn contribute to its growth.
- **Improved technology.** Improvement in technology leads to business growth for example, if a business adapts to the latest technology in production of its goods.
- **Proper record keeping.** A business that keeps detailed records will know where the business stands financially and be able to overcome the foreseen challenges that can prevent the business growing and being successful.

14. Uwera and Muhizi are very good friends and they have a joint business selling food stuffs, one day their supplier Gakire supplied goods that were not in good shape, as they were not appealing in their eyes and believed that their

customers deserved better than what he had supplied to them. So, they called him to take the goods back because of quality problems. do you think they did well to return the goods? and if so, demonstrate any seven importance of ensuring standards in business? **(15 Marks)**

Answer

Yes;

Importance of standards

- It helps to meet the requirements of the purchasers.
- It strengthens and harmonizes national metrology systems. (Metrology: scientific process of measurement)
- It develops culture of quality management in public and private institutions.
- It facilitates the access of Rwanda goods and services to external markets.
- It leads to better public health.
- Environment protection.
- It leads to economic growth.
- It improves standards of living.
- It leads to lower costs of production since redundancy and errors have been minimized
- It helps industry products, services and personnel to cross borders.
- They improve industry efficiency and remain competitive.
- Standards earn customers' loyalty to the industry because customers want products and services that are of high quality, reliable, consistent and safe.

END