

Entrepreneurship
Date: 21/06/2023
Period:14H00-17H00



END OF TERM III EXAMINATIONS

GRADE / LEVEL: SENIOR TWO (S2)

COMBINATIONS: ALL COMBINATIONS

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 **THREE** sections: **A, B** and **C**.

SECTION A: Answer **ALL** questions. **(40 marks)**

SECTION B: Answer **any THREE** questions. **(30 marks)**

SECTION C: Answer **any TWO** questions. **(30 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. ALL questions are compulsory.(40 Marks)

1. Define the following terms;

a) Social development **(2 Marks)**

b) Economic development **(2 Marks)**

c) Socio economic development **(2 Marks)**

2. As a student of S.2 outline any four ways in which you may make your goal specific. **(4 Marks)**

3. Identify any three areas of life in which one needs to set goals. **(3 Marks)**

4. What is the difference between traditional farming and modern farming. **(4 Marks)**

5. State the law of supply. **(3 Marks)**

6. Not only does regional market present advantages but also some disadvantages of joining regional market occur specially in underdeveloped countries. Utilizing the knowledge acquired in class describe any four disadvantages of regional market. **(4 Marks)**

7. Rwanda has established an institution that is charged to collect various taxes on business activities. The institutions insist that consumers should ask EBM invoice for any transaction made. Explain any four importance of using EBM in business. **(3 Marks)**

8. State at least any three sources of income for personal budget. **(3 Marks)**

9. Illustrate the main components of information that are provided in book keeping. **(3 Marks)**

10. Describe any four areas covered by scientific metrology. **(4 Marks)**

11. Analyse any three important of doing quality testing of a product. **(3 Marks)**

Section B. Choose any THREE questions. (30 Marks)

12. Mugiraneza is an entrepreneur who does his business in Gisagara while Munezero is a business woman in Kigali town. Develop any ten different challenges they both meet while operating their business. **(10 Marks)**

13. A learner is in S.2 and wants to improve her marks by 5% in order to get marks, which will allow her access the next level requirement of 60%. If she had gotten 39% in the previous term, evaluate the above goal and say if this goal is attainable. **(10 Marks)**

14. Analyse any five contribution of work in socio-economic development. **(10 Marks)**

15. Government encourages people to pay tax for all activities providing interest to the owners. Analyse any five importance why taxes should be paid without claims. **(10 Marks)**

Section C. Choose any TWO questions. (30 Marks)

16. KIAKA Enterprise employs the following workers on monthly basis as below;

Umurerwa gets 600,000frw

Ndoli gets 300,000frs

Mutangana gets 200,000frw

Rusine gets 100,000frw

Kankindi 60,000frw

Required: Determine the monthly personal income tax that should be paid by every employee and the total paid by KIAKA Enterprise. **(15 Marks)**

17. The following are incomes and expected expenses for G.S Remera for the year 2023.

- Number of students 1,200
- Expected school fees 2,437,500frw
- Expected school feeding grant 60frw per day and per student
- Remember that the Trimester is composed by 3 months and one month is composed by 20 days for school feeding.

The expenses will concern school feeding, hygiene paper, water bill, electricity bill, furniture reparation, stationary, tea break, communication and transport. Draw a balanced budget for this school using the above elements. **(15 Marks)**

18. Suppose that you have made all transactions of your business and you want to verify if the rules of accounting are respected. Draw an accounting cycle and explain each process to make sure that all transactions are correct for a given period of time. **(15 Marks)**

THE END

Entrepreneurship
Date:21/06/2023
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END OF TERM III EXAMINATIONS MARKING GUIDE

GRADE / LEVEL: SENIOR TWO (S2)

COMBINATIONS: ORDINAL LEVEL

DURATION: Three hours

MARKS: /100

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- 6) Use a **blue** or **black** pen

Section A. ALL questions are compulsory. (40 Marks)

1. Define the following terms;

- a) Social development (2 Marks)
- b) Economic development (2 Marks)
- c) Socio economic development (2 Marks)

Answer

Meaning of terms each /2marks

a) Social development.

It is a process of prioritizing human needs in the growth and development of the society it results in the transformation of social institutions in a manner which improve the capacity of the society, making it a better place for everyone. The well-being of every individual in the society to reach full potential

b) Economic development.

It is development of the economic wealth of a country for the well-being of its citizens by improving the economic, political and social well-being of its people.

c) Socio-economic development.

These are positive change that takes place in a society, mostly of an economic nature.

2. As a student of S.2 outline any four ways in which you may make your goal specific. (4 Marks)

Answer

ways of making the goal specific. /4marks

- Deciding what the goal setter wants
- Getting specific

- Determining who else is involved
- Ask what the goal setter wants to accomplish
- Determining where this will happen
- Thinking about when this will happen
- Determining which requirements and restraints will part of the process

3. Identify any three areas of life in which one needs to set goals. (3 Marks)

Answer

Three areas in our life one needs to set goals. /3marks

- Work and career goal
- Educational and intellectual goal
- Physical and health goal
- Spiritual goal
- Personal development
- Love and family goals

4. What is the difference between traditional farming and modern farming.

(4 Marks)

Answer

The difference between modern farming and traditional farming. /4marks

Traditional farming is the old methods of farming where people keep cattle on large space area based on the number of cattle but without considering production quantity,

while

Modern farming is a system of farming which apply mechanisation system practiced on small area with the purpose of maximizing production in both milk and other related products

5. State the law of supply.

(3 Marks)

Answer

The law of supply. /3marks

- The law of supply state that, with all other factors remaining constant, when the price of the commodity or service increases, its quantity supplied also increases and when the price of the commodity decreases, its supply also decreases.
- In other words, the producers are willing to offer more of a good or service for sale on the market at higher prices by increasing production as a way of increasing profits

6. Not only does regional market present advantages but also some disadvantages of joining regional market occur specially in underdeveloped countries. Utilizing the knowledge acquired in class describe any four disadvantages of regional market.

(4 Marks)

Answer

Disadvantages of regional market. /4marks

- **Difficulties in understanding the markets:** firm find difficult to understand each market's preferences leading to invest more resources
- **Difficulties in predicting cyclical changes:** firm find difficult to predict changes in economic environment leading to suffering from effects of economic downturns.
- **Unemployment:** regional trade may cause unemployment due to citizens of other countries move in to take up jobs
- **Closure of local industries:** cheap goods from other countries may flood the local market therefore forcing the local industries to close down.

- **Loss of government revenue:** government member countries lose the revenue they would have collected in terms of customs duty for imported and exported goods
- **Compromise on local politics:** regional trade may compromise the country's political ideology
- **Increased costs:** regional trade leads to loss of opportunity to obtain cheaper commodities due to restriction imposed on non-member countries, cheaper commodities from non-member countries may not reach the citizens of member countries.

7. Rwanda has established an institution that is charged to collect various taxes on business activities. The institutions insist that consumers should ask EBM invoice for any transaction made. Explain any four importance of using EBM in business. **(3 Marks)**

Answer

Importance of using EBM. /3 marks

There are numerous benefits of Electronic Billing Machines, both to compliant taxpayers and to the tax administration. These benefits include:

- EBM sales data can be copied and pasted into the 'Sales' tab when completing the VAT process
- Improving bookkeeping and stocktaking for taxpayers through using EBMs to record the exact items and prices being sold.
- Simplifying the audit process, reducing the time and interruption of taxpayer's daily operations
- Reducing the potential for tax evasion, ensuring that taxpayers can compete fairly, and increasing the tax revenues for public spending.

8. State at least any three sources of income for personal budget. **(3 Marks)**

Answer

Sources of income for personal budgeting. /5marks

- Retained profit
- Sales of shares
- Contributions from family member
- Salaries
- Bonuses
- Grants
- Rent
- Sales of fixed asset

9. Illustrate the main components of information that are provided in book keeping. **(3 Marks)**

Answer

Components information of bookkeeping. /3 Marks

- Date when the transaction took place
- The nature of transaction
- The name and the address of the parties involved
- Description of the goods or services
- Terms and conditions related to trade discounts
- Signature of the concerned parties

10. Describe any four areas covered by scientific metrology. **(4 Marks)**

Answer

Area covered by scientific metrology

mass metrology that deals with. /4 marks

- Measurement
- Dimensional metrology
- Temperature metrology
- Electrical metrology

- Chemical metrology

11. Analyse any three important of doing quality testing of a product.

(3 Marks)

Answer

Importance of quality testing. /10marks

- Finding the defection of a product
- Determining the characteristics of an object or a product
- Defining the unit measurement
- Determining the compatibility of test result
- Play a role of quality control
- Detecting mistake or defect in a manufactured product
- Function of quality assurance
- To ensure the end of produced product
- To meet the standard of production process

Section B. Choose any THREE questions. (30 Marks)

12. Mugiraneza is an entrepreneur who does his business in Gisagara while Munezero is a business woman in Kigali town. Develop any ten different challenges they both meet while operating their business. **(10 Marks)**

Answer

Challenges of Mugiraneza and Munezero. /10 marks

Based on the location, the business the challenges may be somehow different because in **rural areas** the following are challenges

- Limited resources
- Few customers
- Lack of transport facilities
- Few or more competitors

While **in town** the problems will be

- High competition
- Insufficient resources in presence of many customers.
- Hackers
- Hard to get licence
- High risks of theft.
- Insufficient capital to locate well the business

13. A learner is in S.2 and wants to improve her marks by 5% in order to get marks, which will allow her access the next level requirement of 60%. If she had gotten 39% in the previous term, evaluate the above goal and say if this goal is attainable. **(10 Marks)**

Answer

The goal is not achievable because; / 10 marks

- 5% of 39% = 1.9 is not enough to on the level of pass.
- Calculate the missing marks ($60 - 39.9 = 20.1$)
- Analyse the requirements to pass which 60%
- Adjust your goal to reach it
- Such a new way of achieving your goal
- Analyse required resources
- The goal is not achievable

14. Analyse any five contribution of work in socio-economic development.

(10 Marks)

Answer

Contributions of work to socio- economic development. / 10 Marks

- **Provision of employment opportunities:** work in itself is employment. An employment can be self-employment or paid or salaried employment.

- **Provision of a variety of goods and services:** work help in providing a variety of goods and services at a fair price, which lead to high standards of living which is indicator of socio-economic development.
- **Exploitation of resources:** individual or firms who engage in work-related activities make good use of the locally available resources. Using resources is value adding to resources which enhance the level of economic activities leading to development.
- **Provision of government revenue from taxes:** self-employed and employers people and firm pay various taxes to the government of Rwanda which are sources of revenue to the government
- **Growth of capital and investment:** individuals and firms mobilizing idle savings from the public through banking system which takes deposits from members of the public and they are borrowed by firms and individuals to invest in business and reinvesting the profit in the business.
- **Provisions of foreign exchange earnings:** some of the goods are exported to get foreign currency that will be used to import goods that are not available locally and maintain favorable balance of payments.
- **Facilitation of overall development:** people and firm engaged in work-related activities leads to development chain reaction.
- **Promotion of balanced regional development:** individual and firm engagement in work-related activities remove regional disparities in development
- **Creation and distribution of wealth:** work related activities stimulates equitable redistribution of wealth and income because more people from different geographical areas get a share of the wealth.

15. Government encourages people to pay tax for all activities providing interest to the owners. Analyse any five importance why taxes should be paid without claims. **(10 Marks)**

Answer

Importance of paying taxes in an economy. /10marks

- **Government revenue:** taxes are the major source of government revenue which is used to provide public services
- **Redistribution of wealth:** taxes are imposed in order to reduce the gap between poor people and the rich people
- **Reducing regional economic inequality and control rural-urban migration:** government encourage entrepreneurs to establish industries in remote and backward regions by giving tax exemptions among other policies
- **Discourage consumption of harmful products:** government discourage consumption of harmful products by charging a high tax on products
- **Provision of public goods and services:** tax money is used by government to provide public goods and services
- **Paying government workers:** tax revenue s are used by government to pay salaries of workers who provides public services
- **Enabling economic development:** tax money is used to construct infrastructure
- **Economic stability:** government use taxes to regulate the price of commodity on markets
- **Serving public debts:** tax money is used to pay off money borrowed by the government from international and local institutions and person
- **Creation of more employment opportunities:** money collected from taxes are invested in projects which aimed at providing employment opportunities to citizens
- **Protection of local industries:** government protect local established industries by charging high taxes on the importation of the products similar to locally produced products.

Section C. Choose any TWO questions. (30 Marks)

16. KIAKA Enterprise employs the following workers on monthly basis as below;

Umurerwa gets 600,000frw

Ndoli gets 300,000frs

Mutangana gets 200,000frw

Rusine gets 100,000frw

Kankindi 60,000frw

Required: Determine the monthly personal income tax that should be paid by every employee and the total paid by KIAKA Enterprise. **(15 Marks)**

Answer

Tax rates

0 – 60,000frw = 0 %

60,001 – 100,000frw = 10%

100,000 - 200,000frw = 20%

200,000 and above = 30 %

Step 1=0%	1.Umurerwa	$60,000 \times 0\% = 0$
	2.Ndoli	$60,000 \times 0\% = 0$
	3.Mutangana	$60,000 \times 0\% = 0$
	4.Rusine	$60,000 \times 0\% = 0$
	5.Kankindi	$60,000 \times 0\% = 0$
	Total= 0	(1 Mark)
Step2. 10%	1.Umurerwa	$(100,000 - 60,000) \times 10\% = \mathbf{4,000}$
	2.Ndoli	$(100,000 - 60,000) \times 10\% = \mathbf{4,000}$
	3.Mutangana	$(100,000 - 60,000) \times 10\% = \mathbf{4,000}$
	4.Rusine	$(100,000 - 60,000) \times 10\% = \mathbf{4,000}$

	Total= 16,000 (4 Marks)
Step 3. 20%	1.Umurerwa (200,000- 100,000) *20%= 20,000 2.Ndoli (200,000-100,000) *20%= 20,000 3.Mutangana (200,000-100,000) *20%= 20,000 Total=60,000 (3 Marks)
Sep 4. 30%	1.Umurerwa (600,000-200,000) *30%= 120,000 2.Ndoli (300,000-200,000) *30%= 30,000 Total= 150,000 (2 Marks)
Total	0+16,000+60,000+150,000= 226,000Frw 1.Kankindi: 0 2.Rusine:0+ 4,000= 4,000 3.Mutangana: 0+4,000+20,000= 24,000 4.Ndoli: 0+4,000+20,000+30,000= 54,000 5.Umurerwa: 0+4,000+20,000+120,000= 144,000 Total:0+4,000+24,000+54,000+144,000= 226,000(5 Marks)

or

1.Kankindi: 60,000Frw	60,000*0%= 0 Total= 0 (1 Mark)
2.Rusine: 100,000Frw	60,000*0%= 0 (100,000-60,000) *10%= 4,000 Total= 0+4,000=4,000 (2 Marks)
3.Mutangana: 200,000Frw	60,000*0%= 0 (100,000-60,000) *10%= 4,000 (200,000-100,000) *20%= 20,000 Total= 0+4,000+20,000=24,000 (3 Marks)
4.Ndoli: 300,000Frw	60,000*0%= 0 (100,000-60,000) *10%= 4,000 (200,000-100,000) *20%= 20,000 (300,000-200,000) *30%= 30,000 Total=0+ 4,000+20,000+30,000=54,000 (4 Marks)

5. Umurerwa: 600,000Frw	$60,000 \times 0\% = \mathbf{0}$ $(100,000 - 60,000) \times 10\% = \mathbf{4,000}$ $(200,000 - 100,000) \times 20\% = \mathbf{20,000}$ $(600,000 - 200,000) \times 30\% = \mathbf{120,000}$ Total = $0 + 4,000 + 20,000 + 120,000 = 144,000$ (4 Marks)
TOTAL	$0 + 4,000 + 24,000 + 54,000 + 144,000 = \mathbf{226,000Frw}$ (1 Mark)

17. The following are incomes and expected expenses for G.S Remera for the year 2023.

- Number of students 1,200
- Expected school fees 2,437,500frw
- Expected school feeding grant 60frw per day and per student
- Remember that the Trimester is composed by 3 months and one month is composed by 20 days for school feeding.

The expenses will concern school feeding, hygiene paper, water bill, electricity bill, furniture reparation, stationary, tea break, communication and transport. Draw a balanced budget for this school using the above elements. **(15 Marks)**

Answer

Example of a budget. / 15 Marks

Budget of GS Remera

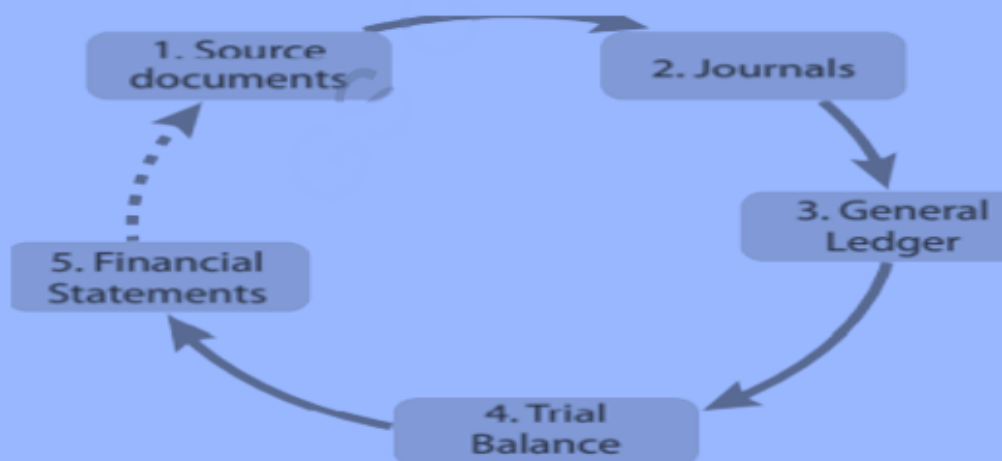
Income	Amount (frw)
School fees	2,437,500
School feeding grant	17,640,000
Total income	20,077,500
Expenses	
Hygiene paper	1,200,000

Water bill	1,800,000
Electrical bill	1,500,000
Furniture reparation	600,000
Stationary	1,000,000
Tea break	850,000
Communication	560,000
Transport	500,000
Lunch	13,067,000
Total expenses	20,077,500
Balance	0

18. Suppose that you have made all transactions of your business and you want to verify if the rules of accounting are respected. Draw an accounting cycle and explain each process to make sure that all transactions are correct for a given period of time. **(15 Marks)**

Answer

Cycle: 5 Marks



Explanation of accounting cycle/ 10 Marks

1. Gather all information from source documents.
2. Records the information into diversified journals and correct errors which can happen.
3. When all the transactions have been added into their respective journals, the information is posted to the General Ledger. The General Ledger contains all the accounts for the Assets, Liabilities, Owner's Equity, Income and Expenses.
4. The General Ledger is used to draw up the Trial Balance. A Trial Balance is a list of all the General Ledger accounts. A trial balance contains the account debited and the account credited.
 - Correct errors from trial balance
 - Adjust your trial balance
5. Make your final financial statement

THE END