

ENTREPRENEURSHIP
Date: 23rd June 2025
Period: 8:30 -11:30am



END OF TERM III EXAMINATION
MARKING GUIDE

GRADE: SENIOR ONE (S2)
LEVEL: ORDINARY
OPTION: ORDINARY

DURATION: 3HOURS

MARKS:

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INSTRUCTIONS

- 1) Do not open this question paper until you are told to do so.
- 2) This paper consists of **THREE** sections: **A, B** and **C**
SECTION A: Attempt **ALL** questions (40 marks)
SECTION B: Attempt all questions in this section (30 marks)
- 3) **SECTION C:** Attempt only **TWO** questions of your choice (30 marks)
- 4) Avoid any rubbing
- 5) Use only a **blue** or **black** pen

Section A. Answer ALL questions are compulsory. (40 marks)

1. Answer True or False on the ways you can use to know that there is socio-economic development in a country from the answers provided below
(4 marks)

- a. The size of land for the country
- b. High level of national income
- c. High infant mortality rate.....
- d. Literacy level in the country

Answer

Answer True or False on the ways you can use to know that there is socio-economic development in a country from the answers provided below **(4 marks)**

- a. The size of land for the country **FALSE**
- b. High level of national income **TRUE**
- c. High infant mortality rate **FALSE**
- d. Literacy level in the country **TRUE**

2. Circle the correctly set goal in relation to characteristics of a SMART goal.

(2 marks)

- a. Through reading hard, I will score 90% this year because I trust my level of intelligence.
- b. Through reading very hard and attending to all lessons, I will score 90% in geography exam in the national exams of 2024.
- c. I will score 90% in geography national exam because I am intelligent in class.

Answer

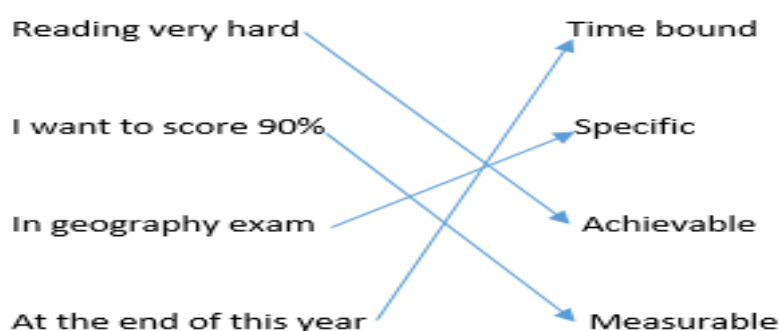
The correct SMART goal is, (2 marks)

- b. Through reading very hard and attending to all lessons, I will score 90% in geography exam in the national exams of 2024.

3. Match the characteristics of a goal in relation to the components of a SMART goal shown in the table below **(4 marks)**

Goal component	Characteristics
Reading very hard	Time bound
I want to score 90%	Specific
In geography exam	Achievable
At the end of this year	Measurable

Answer



4. The government is encouraging many people to become entrepreneurs as a way of developing the country. Write **TRUE** or **FALSE** on the roles played by entrepreneurs in Rwanda. **(4 marks)**

- Create large scale employment opportunities.....
- Increase concentration of economic power in the hands of few people.....
- Entrepreneurs provide Goods and services at the market.....
- Decrease gross national product and income per capita.....

Answer

The government is encouraging many people to become entrepreneurs as a way of developing the country. Write TRUE or FALSE on the roles played by entrepreneurs in Rwanda. **(4**

marks)

- Create large scale employment opportunities. **TRUE**
- Increase concentration of economic power in the hands of few people. **FALSE**
- Entrepreneurs provide Goods and services at the market. **TRUE**
- Decrease gross national product and income per capita. **FALSE**

OR

- a) TRUE
- b) FALSE
- c) TRUE
- d) FALSE

5. Circle the correctly set goal in relation to characteristics of a SMART goal.

(2 marks)

- a. Through reading hard, I will score 90% this year because I trust my level of intelligence.
- b. Through reading very hard and attending to all lessons, I will score 90% in geography exam in the national exams of 2024.
- c. I will score 90% in geography national exam because I am intelligent in class.

Answer

The correct SMART goal is, (2 marks)

- b. Through reading very hard and attending to all lessons, I will score 90% in geography exam in the national exams of 2024.

6. Choose any two examples of levy charged on entrepreneurs as a way of contributing to social development

- i) Airtime
- ii) Transfer taxes
- iii) Insurance charges

Answer

Correct answers are; (2marks)

- ii) Transfer taxes

7. Complete the gaps in sentences below using appropriate words (2 marks)

- i) Refers to the all the tasks that mainly require use of body strength and stamina to be accomplished.
(1 mark)

- ii)is the activity done mainly with the of mental power or effort and beneficial to someone doing it. it requires

thinking, reasoning and then reacting.

(1mark)

Answer

i. Physical work (1 mark)

ii. Mental work (1 mark)

8. Identify two stages of economic integration from the list below that the East African Community has not yet fully achieved. (2 marks)

i) Preferential trade area

ii) Free exchange area

iii) Economic union

iv) Customs union

v) Common market

vi) Political union

Answer

The correct answer: is iii) & vi) (2 marks)

iii. Economic union

vi. Political union

1 mark for each

9. Which of the following are possible consequences Uwitonze may face if her unregistered restaurant business in Kinigi trading centre is discovered by the Rwanda Revenue Authority (RRA)? (Select all that apply) (5 marks)

- A. Monetary fines
- B. Award of government tenders
- C. Imprisonment
- D. Closure of the business
- E. Interest on late payment of tax
- F. Exposure to the media for fraud
- G. Increase in business subsidies

Correct Answers:

- A. Monetary fines
- C. Imprisonment
- D. Closure of the business
- E. Interest on late payment of tax
- F. Exposure to the media for fraud

10. Which of the following are examples of direct taxes imposed in Rwanda? (Choose any six) (4 marks)

A) Value Added Tax (VAT)

- B) Corporate income tax
- C) Excise duty
- D) Property tax
- E) Rental income tax
- F) Gift tax
- G) Customs duty

Correct Answers:

- B. Corporate income tax
- D. Property tax
- E. Rental income tax
- F. Gift tax

11. Which of the following is not included in the types of a personal budget
(2 marks)

- a) Surplus budget
- b) Balanced budget
- c) National budget
- d) Deficit budget

Answer

The correct answer is, **c (National budget)**

12. Given that Niyomungeri gets a salary of 300,000FRW as his income which he uses to meet all the family expenses. The family expenses are estimated at 180,000frw per month. Determine whether his family has a deficit or surplus budget position.
(4 marks)

Answer

Determining budget position of Niyomungeri's family (4 marks)

Budget position = Total incomes – Total expenses

$$= 300,000\text{Frw} - 180,000\text{Frw}$$

$$= 120,000\text{Frw}$$

Conclusion: His family has a surplus budget since the income is greater than expenses

13. Use the accounting equation to answer the following, if the owner's equity of a business is 70,000Frw and liabilities are 40,000 Frw. What is the total equity of the business? **(3 marks)**

- A) 80,000Frw
- B) 100,000Frw
- C) 110,000Frw
- D) 120,000Frw

Answer

- C) 110,000Frw

Calculations :

Total equity = owner's equity + creditors equity (liabilities)

The total equity = 70,000 + 40,000 = 110,000Frw

The total equity of the business is equal **to 110,000Frw (3 marks)**

Section B. Answer any THREE questions.(30 marks)

14) Analyse the parts of a goal tree in the table below and explain what each part represents in relation to your personal development **(10 marks)**

Parts of a tree	Representation of Personal values
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Answer

Explanation of a goal tree parts compared to our personal development. (10marks) NB: Students may not use exact wording but the possible answers should be related to the following;

Parties of trees	Personal values
Roots	Person's values and skills or they represent parents that support our growth
Stem	- Areas in person's life that give him or her strength - it may represent government that give us strength
Branches	- A person's main goals and interest he or she wants to do or accomplish - they can also represent community members that supports people towards growth
Leaves	- Resources that will be needed to reach the goals - friends that help us to real personal goals
Fruits	Future achievement or goals achieved by a person
Thorns	Obstacle or challenges one may meet along the way

15. Metrology in Rwanda is applied in many activities. Identify any five areas where measurement (scientific metrology) is used. (10 marks)

Answer

Areas where measurement (scientific metrology) is used (10 marks)

- Verification and validation

- Calibration instrument and laboratories
- Trade
- Government revenue collection
- Legal practice
- Medical practice
- Quality testing
- Proper performance of modern power stations
- Construction and engineering works
- Weather stations
- Chemical laboratories
- Manufacturing plants

16. Kamali is a business man in Kibingo Sector who sells vegetables. when he increased the price, many customers run away to buy from other grocery shops thus reducing the demand for his vegetables. Apart from price, analyse any five factors that can influence the demand of a product? **(10 marks)**

Answer

Factors that influence demand of a commodity (10marks)

- **Population:** The size of the population and changes in population act as significant determinants of demand. When the population is high, demand tends to be greater.
- **Income:** The income of consumers directly affects demand.
- **Tastes and Fashions:** Changes in consumer preferences and fashion trends impact the volume of demand for commodities.
- **Discovery of Substitutes:** The availability of substitutes affects demand.
- **Influence of complementary good:** demand for a commodity in question increases demand for its complements
- **Government policy:** the government can discourage or encourage consumption of goods
- **Expectation of price changes:** when prices are expected to increase in future, demand will be high and vice versa.
- **Perceived Quality:** Consumers' perception of a commodity's quality significantly impacts demand.

Any 5 points well explained x 2

17. The Rwandan government encourages all citizens to practice appropriate measurement standards in all activities. Do you think it is important to do measurement in business activities? With five reasons, justify your answer.

(10 marks)

Answer

Yes, measurement in business activities is crucial for several reasons (10 marks)

- **Performance Evaluation: Measurement** allows businesses to **assess performance**. Without accurate measurements, it's challenging to evaluate how well the business is doing.
- **Decision Making:** Measurements help business leaders make informed decisions. For example, analyzing **sales data** can guide decisions on **inventory management, pricing strategies, and expansion plans**.
- **Process Improvement: Continuous improvement** is essential for business growth. Measurement identifies areas for enhancement.
- **It encourages production efficiency, cycle time, and defect rates** highlight where processes can be optimized.
- **Resource Allocation:** Measurement helps prioritize investment and allocate resources based on **return on investment, cost-effectiveness, and market demand**.
- **Goal Achievement:** Measurement tracks progress towards achieving business goals e.g. **market share, expansion targets, or customer retention**.
- **Quality Assurance:** this leads to quality products which increase customer satisfaction and brand reputation.
- **It avoids cheating of customers** in form of wrong weights and measures

Section C. Answer any TWO questions. (30 marks)

18) Compare and contrast an entrepreneur and intrapreneur. **(15 marks)**

Differences between an entrepreneur and intrapreneur.

- An intrapreneur is semi-independent while an entrepreneur is independent.
- An intrapreneur is a servant within a large organisation while the entrepreneur is the owner of the business.
- Intrapreneur bears a few risks while the entrepreneur bears all risks of the business.
- Entrepreneur operates from outside while the intrapreneur operates within an already existing organisation.

similarities between an entrepreneur and intrapreneur.

- Both involve identification, recognition, and pursuing of business opportunities.
- Both are driven by an individual who works with a team to bring the business idea fruition.
- Both require a unique business idea.

- Both entail risks and require risk management strategies.
- Both entail significant uncertainty.

19. Prepare a single column cash book from the following transactions that took place in Mrs Muhongerwa's business during the month of August 2024.
(15 marks)

- 1st August she started a business with 2,500,000frw
- 3rd bought a motor cycle worth 1,500,000frw;
- 4th bought raw materials for 110,000frw
- 5th paid wages and salaries 120,000frw
- 7th cash sales 300,000frw
- 9th paid rent 100,000frw
- 12th received a commission of 20,000frw
- 21st received a cash from Ellena 250,000frw
- 28th bought a computer 200,000frw

Answer

Single Column Cash Book for August 2024

(All amounts in Rwandan Francs - Frw)

Date	Particulars	Cash In (Dr)	Cash Out (Cr)	Balance
Aug 1	Capital Introduced	2,500,000		2,500,000
Aug 3	Bought Motorcycle		1,500,000	1,000,000
Aug 4	Bought Raw Materials		110,000	890,000
Aug 5	Paid Wages and Salaries		120,000	770,000
Aug 7	Cash Sales	300,000		1,070,000
Aug 9	Paid Rent		100,000	970,000
Aug 12	Commission Received	20,000		990,000
Aug 21	Cash Received from Ellena	250,000		1,240,000
Aug 28	Bought Computer		200,000	1,040,000

Closing Cash Balance as at 31st August 2024: Frw 1,040,000

20.a) Explain with any five reasons why it is important for individuals and businesses to pay taxes in the country.
(10 marks)

b) Umuhire business group imported a vehicle at a cost of 12,000,000FRW VAT included from Korea. The vehicle was later sold to their customer at 18,000,000FRW including VAT. Compute the amount of VAT that Umuhire paid to RRA on the vehicle sold. **(5 marks)**

Answer

a) Why it is important for individuals and businesses to pay taxes in the country (10 marks)

Paying taxes is important for several reasons:

1. **Government Revenue**

Taxes are the main source of income for the government. They fund public services like education, healthcare, infrastructure, and security.

2. **Economic Development**

Taxes support national development projects such as roads, electricity, and clean water systems which benefit both businesses and individuals.

3. **Public Service Provision**

Tax money is used to pay salaries of public employees (teachers, police officers, etc.) and to run government institutions.

4. **Redistribution of Wealth**

Through taxes, governments can reduce income inequality by providing social services and assistance to the disadvantaged.

5. **Business Environment Support**

Well-funded governments can provide better infrastructure and systems that create a stable and conducive environment for businesses to grow.

6. **Legal Obligation**

Paying taxes is a legal duty; failure to do so can lead to penalties, fines, or legal consequences.

7. **National Sovereignty**

A government that relies on taxes from its citizens is more self-sufficient and less dependent on foreign aid or loans.

8. **Promotion of Fair Competition**

When everyone pays taxes fairly, it creates a level playing field for businesses.

9. **Funding Emergency Responses**

Taxes help governments respond to crises such as natural disasters, pandemics, or economic shocks.

10. **Boosting Investor Confidence**

A transparent and stable tax system builds confidence among investors and promotes foreign direct investment.

b) VAT Calculation (5 marks)

We are given:

- **Cost price :** 12,000,000 FRW
- **Selling price:** 18,000,000 FRW
- **VAT rate in Rwanda (standard):** 18%

b) Calculation of VAT (5marks)

VAT is calculated on the final amount at the rate of 18%

$$\text{VAT} = \frac{\text{final amount or total invoice}}{118} * 18$$

Where final amount is 18,000,000Frw

$$\text{VAT} = \frac{18,000,000}{118} * 18 = 2,745,762.71\text{FRW}$$

$$\text{VAT} = 2,745,763 \text{ Frw}$$

THE END