

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



## **END OF TERM III EXAMINATIONS**

**GRADE / LEVEL: SENIOR ONE (S1)**

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

<b>SECTION A:</b> Answer <b>ALL</b> questions.	<b>(40 marks)</b>
<b>SECTION B:</b> Answer <b>any THREE</b> questions.	<b>(30 marks)</b>
<b>SECTION C:</b> Answer <b>any TWO</b> questions.	<b>(30 marks)</b>
- 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.

- i. Personal values (1 Mark)
- ii. Personal development (1 Mark)
- iii. Personal qualities (1 Mark)
- iv. Personal skills (1 Mark)

2. Explain any four reasons why an entrepreneur should be financially disciplined. (4 Marks)

3. As a new student, discover any three ways of initiating friendship in a school setting environment. (3 Marks)

4. Working allows us change our status in the community. Explain any four ways how work improves our personal lives and for others at large. (4 Marks)

5. Explain any four examples of services offered to the society. (4 Marks)

6. Outline any three reasons of having personal finance. (3 Marks)

7. Identify any three processes involved in book keeping. (3 Marks)

8. List any four users of the accounting information. (4 Marks)

9. Basing yourself on any four indicators, demonstrate how a failing business differs from succeeding business. (4 Marks)

10. State any three objectives of the national standards body of Rwanda. (3 Marks)

11. Show any four examples of regional standards bodies. (4 Marks)

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

12. In all societies around the world, work is respected in all capacities. Assess any five reasons why work is respected in your country. (10 Marks)

13. You were on a field trip in Kigali market with your entrepreneurship teacher, and the main objective was to establish different types of goods that are sold in the market. While you were there you interviewed Mrs Kabera to categorise for you all the goods that are sold in the market. After the field visit, you made a report on types of goods that exist in Kigali market. Interpret with examples the different types of good discovered to the rest of the members who did not go for the entrepreneurship trip. (10 Marks)

14. Examine any three benefits and two risks associated with the use of Automatic Teller Machine (ATM) cards in business transactions. (10 Marks)

**15.** Some businesses remain small for a long period of time despite the fact that they work hard, and dedicate their time wholeheartedly though find themselves not growing at all. Apply any five constraints that limit their businesses from growing. **(10 Marks)**

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

**16.** Without entrepreneurship and entrepreneurs the country of Rwanda cannot thrive. Analyse any five contributions of entrepreneurship to the development of your country. **(15 Marks)**

**17.** Blaise is a senior one student at Bushoke Secondary School. He is very passionate about doing business and she always tells her teacher about his dream of being a business woman, last term he saved up to 100,000frw and now he needs 150,000frw to start his business of selling notebooks. With a brief explanation recommend to Blaise other eight sources of finance she could use to finance her dream business besides personal saving. **(15 Marks)**

**18.** Imagine that you are a client of Mr Kalisa who sells Cameras in Kageyo market and you have purchased a Camera from his shop. He allows you to pay him in three installments.

**a)** Elaborate how installment payment would benefit you and Mr. Kalisa.

**(10 Marks)**

**b)** Propose any five risks that you and Kalisa are likely to face for using installment payment. **(5 Marks)**

**THE END**

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

**GRADE / LEVEL: SENIOR ONE (S1)**

**COMBINATIONS: ORDINAL LEVEL**

**DURATION: Three hours**

**MARKS:** **..... /100**

### **INSTRUCTIONS**

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  - 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.

- i. Personal values **(1 Mark)**
- ii. Personal development **(1 Mark)**
- iii. Personal qualities. **(1 Mark)**
- iv. Personal skills **(1 Mark)**

**Answer**

**Definitions of key terms. /4 marks**

**Personal values:** These refers to “broad desirable goals that motivate people's actions and serve as guiding principles in their lives”. Examples of personal values include donating to charity or spending time with family. Everyone has values, but each person has a different value set. Values determines the way people live with others in the society

**Personal development:** This means an everyday activity aimed at enriching knowledge, acquiring new skills to boost productivity, to improve self-organization and to master communication with people. It can also mean all activities done to support human development

**Personal qualities:** refer to personal characteristics of an individual. They are what make up that person's personality.

**Personal skills:** Also called interpersonal or people skills, are a type of soft skills related to how a person interacts with other people and the surrounding environment. Personal skills can be more challenging to learn. Some of them are communication, problem-solving, flexibility, and dependability. Or personal skills are the ability of a person to do something.

**2.** Explain any four reasons why an entrepreneur should be financially disciplined. **(4 Marks)**

**Answer**

**Reasons why an entrepreneur should be financially disciplined. /4 marks**

- It helps to have excellent money management skills.
- it avoids poor financial decision like overspending or allocating resource.
- It avoids Misuse of business funds or resources.
- It helps in managing business profits.
- Helps to monitor the cash inflows and cash outflows of the business etc.
- It helps to save for future business activities



- It enables the entrepreneur to avoid financial crisis/deficit

**3.**As a new student, discover any three ways of initiating friendship in a school setting environment. **(3 Marks)**

**Answer**

**Ways of initiating friendship in school. /5 marks**

- Introduce yourself
- Provide gifts
- Offer help
- Get concerned about other people's problems
- Share with them your property
- Be a team player
- Smile at people etc.

**4.**Working allows us change our status in the community. Explain any four ways how work improves our personal lives and for others at large. **(4 Marks)**

**Answer**

**Importance of work. /4 marks**

- 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.

**5.** Explain any four examples of services offered to the society. **(4 Marks)**

**Answer**

**Examples of services offered in society. /4 marks**

- **Communication:** This involves sending and receiving of information using different communication media channels.
- **Transport:** This involves movement of goods and passengers from one location to another, using different modes of transport
- **Education:** This explains the transfer of knowledge and skills from one person to another at different levels.

- **Banking:** This helps in keeping money, transferring, receiving money and give all forms of financial assistance to the society from institutions inform of loans.
- **Insurance:** This involves protecting people's lives, businesses as well as properties using insurance companies
- **Administration services**
- **Health care services**

6. Outline any three reasons of having personal finance. (3 Marks)

**Answer**

**Reasons for need of personal finance. /4 marks**

- It helps individuals to pay for education needs.
- It helps individuals to invest in income generating activities.
- It helps to cater for emergencies like sickness.
- It helps to acquire assets such as a house, land
- It helps in paying transport fare

7. Identify any three processes involved in book keeping. (3 Marks)

**Answer**

**Process involved in book keeping. /3 marks**

- Analysing financial transactions and assigning them to specific accounts. (Classifying)
- Writing original journal entries that credit and debit the appropriate accounts (recording)
- Posting entries to ledger accounts
- Adjusting entries at the end of each accounting period. (Summarising)

8. List any four users of the accounting information. (4 Marks)

**Answer**

**Users of accounting information. /5 marks**

- **Owners:** The owners will use the information in order to determine the performance of the business.
- **Employers/ managers:** They want to know about the financial strength of the business and they also require information in relation to profit sharing, for better pay, job security and whether the business is still strong enough to continue existing.
- **Shareholders** (in case of companies) will want to know that their investment in the business is secure and what the returns are likely to be.

- **Government departments**, such as Rwanda Revenue Authority may use accounting information to determine the tax liability of the business.
- **Customers:** These will want to be sure that the business can meet their supply requirements such that the supplies will be sustained in the future.
- **Lenders** (financial institutions) such as banks will need accounting information in order to assess the financial capacity of the business to determine whether to give it a loan or not.
- **Creditors:** The creditors are interested to know whether the business is credit worthy such that it can meet their payments

9. Basing yourself on any four indicators, demonstrate how a failing business differs from succeeding business. **(4 Marks)**

**Answer**

**Difference between a failing business and succeeding business. /4 marks**

**Indicators of a failing business. (2 Marks)**

- **Low sales.** Low sales generate low revenues for a business enterprise which becomes difficult for a business to cover its expenses hence an indicator of business failure.
- **Empty stock.** Empty warehouses and stores indicate business failure.
- **Debt dependency.** A failing business over-relies on borrowed funds to pay loans and meet other business expenses such as wages, purchasing stock and rent.
- **Low employee morale and high staff turnover.** Low employee morale and high employee turnover are signs of failing business.
- **Late payment of bills.** If a business does not pay its bills on time, it indicates business failure.
- **Reduced demand for products.** When business customers are buying less than they used to do, or buying from competitors, it may be assign that a business is failing.
- **Too many complaints from customers.** When a business starts receiving too many complaints from its customers, it indicates that soon the business will fail.
- **Poor cash flow management.** This is where cash outflows are greater cash inflows and this indicates that a business is likely to fail.

**Indicators of a succeeding business.**

**(2 Marks)**



- **Increase in volume of sales.** An increase in sales volume necessitates increase in assets and profits hence an indicator to business growth.
  - **Increase in the level of profits.** If there is money left after a business has paid off its operating expenses and debt, it indicates growth.
  - **Increase in number of branches.** A growing and successful business enterprise is high likely to open up many branches in most parts of the country in order to satisfy its growing customer base.
  - **A growing customer base or market share.** A growing customer base is a sure sign that a business is growing and reaching its target market.
  - **Increase in stock.** The more stock the business possess it is a factor to indicate business growth and its success.
  - **Increase in assets of the business.** For example, increase in machines, buildings and premises land and equipment are indicators of business growth.
  - **Increase in the number of employees.** Employee satisfaction is another key indicator of business growth and success.
  - **Improvement in technology used** in a business. For example using efficient technology such as advanced machines in production.
10. State any three objectives of the national standards body of Rwanda.

**(3 Marks)**

**Answer**

**Objectives of RSB. /3 marks**

- To ensure that competent and skilled human resource personnel is involved in production.
- To develop a quality culture for the application of quality management systems in public and private institutions.
- To strengthen and harmonise the enforcement of national quality control systems.

11. Show any four examples of regional standards bodies. **(4 Marks)**

**Answer**

**Examples of regional standards. /4 marks**

- East African Community Standards
- East African Accreditation Board(EAAB)

- European committee for Standardisation
- East African Standards Organisation
- African Organisation for Standardisation

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

**12.** In all societies around the world, work is respected in all capacities. Assess any five reasons why work is respected in your country. **(10 Marks)**

**Answer**

**Importance of work are explained as below; /15 marks**

- 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

**13.** You were on a field trip in Kigali market with your entrepreneurship teacher, and the main objective was to establish different types of goods that are sold in the market. While you were there you interviewed Mrs Kabera to categorise for you all the goods that are sold in the market. After the field visit, you made a report on types of goods that exist in Kigali market. Interpret with examples the different types of good discovered to the rest of the members who did not go for the entrepreneurship trip. **(10 Marks)**

### Answer

#### Different types of goods that exist in Kigali market. /10 marks

- **Economic goods.** These are goods that are scarce in relation to their demand e.g. gold, food.
- **Free goods.** We use these goods without paying for them. Examples are air, sunshine and rainfall.
- **Substitute goods.** These are goods that can be used or consumed in the place of other goods and they serve the same purpose as other goods. Examples are Colgate and close up, beans and peas, tea and coffee.
- **Complementary goods.** These are goods which are consumed with other goods. Examples of complementary goods are cars and fuel(petrol), a gun and bullet.
- **Durable goods.** These goods can be used or stored for a long period. Examples are bicycles, buildings, cars and so on.
- **Perishable goods.** These are goods that cannot be used or stored for a long period of time. Examples are meat, milk and tomatoes.

14. Examine any three benefits and two risks associated with the use of Automatic Teller Machine (ATM) cards in business transactions. **(10 Marks)**

### Answer

#### Benefits of ATM Cards. / 10 marks

- An account holder can access his or her money at any time.
- An account holder can be able to check his or her balance that he or she has in the bank.
- It saves time since an account holder can withdraw money without having to stand and wait in long queues in the banking hall.
- An account holder can use the ATM card in other locations to pay for things without carrying cash around which is safer.
- Records of transactions can be checked basing on receipts issued by the machine.

#### Risks of using ATM Cards

- The money can be stolen by someone if he or she gets access to your secret pin.
- Fees are charged for withdrawing money from ATMS.
- They cannot be used by illiterate people.
- It requires a lot of confidence using a computer screen to use an ATM.

**15.** Some businesses remain small for a long period of time despite the fact that they work hard, and dedicate their time wholeheartedly though find themselves not growing at all. Apply any five constraints that limit their businesses from growing.

**(10 Marks)**

**Answer**

**Constraints for business growth. /10 marks**

**A constraint** is a factor that limits or holds back the possible success of a business

Several factors may hinder growth of a business. They include the following:

- **Poor handling of customers.** Poor handling of customers may cause a business to lose current, potential and future customers.
- **Lack of proper record keeping.** Bad record keeping can lead to damaged business relationships and these results in losses in the business.
- **Lack of market.** If a business has no market for its products (goods or services) it is likely to fail.
- **Poor management of business stock.** Poor management of stock includes failure to track stock in the business and this constraints business growth.
- **In adequate finance** which will make the business fail to meet its obligations such as paying employees, taxes and this constraints business growth.
- **Misuse of business finance.** Misuse and misappropriation of business means that a business is going to suffer direct losses in the form of money or other assets hence a constraint to business growth.
- **The nature of competition.** The strength of the competition is a key constraint on business growth and success.
- **Lack of clear business objectives** and plan that define growth and success may hinder business growth.
- **Low or poor technology.** Business enterprises using low or poor technology may incur high costs of production and face competitiveness, hence hindering its growth.
- **Poor managerial skills.** A business operating beyond management resources and skills that lower its standards hence a constraint to business growth.
- **Insecurity.** Wars, theft and riots are examples of aspects that cause insecurity therefore hindering a business from growing.
- **Poor location of a business.** Locating a business in an area with poor transport and communication networks, lack of electricity supply may constraint its growth and success.



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

**16.** Without entrepreneurship and entrepreneurs the country of Rwanda cannot thrive. Analyse any five contributions of entrepreneurship to the development of your country.

**(15 Marks)**

**Answer**

**Importance of entrepreneurship. / 15 marks**

- Enormous personal financial gain, entrepreneurs get lots of money from their entrepreneurship activities. Business earns lots of profit.
- Entrepreneurship provides self-employment, offering more job satisfaction and flexibility as compared to being employed by other people.
- Employment for others, often in better jobs.
- Entrepreneurship leads to the development of more industries, especially in the rural areas or regions disadvantaged by economic changes.
- Encouragement of the processing of local materials into finished goods for domestic consumption as well as for export.
- More goods and services are produced and made available to consumers.
- Health competition among the various entrepreneurs makes the producers produce high quality products.
- Promotion of the use of modern technology in small - scale manufacturing to enhance higher productivity.
- Freedom from the dependency on the jobs offered by others entrepreneurship creates
- The ability to have great accomplishments

**17.** Blaise is a senior one student at Bushoke Secondary School. He is very passionate about doing business and she always tells her teacher about his dream of being a business woman, last term he saved up to 100,000frw and now he needs 150,000frw to start his business of selling notebooks. With a

brief explanation recommend to Blaise other eight sources of finance she could use to finance her dream business besides personal saving. **(15 Marks)**

**Answer**

**Sources of finance Blaise could use. / 15 marks**

- **Family and friends' contribution.** An individual's family or friends can contribute money to finance a business.
- **Trade credit.** This is when the supplier offers goods to the customer on credit. These customers can use goods obtained on credit to start the business.
- **Selling of personal property.** Some individuals sell off their personal properties like land, buildings so as to raise money for starting up a business.
- **Participating in promotions and competitions.** Some companies participate in promotion activities through giving cash prizes and the lucky winner can gain cash which can be used to start up a business.
- **Sale of share:** A share is a unit of ownership of a company. A business owner may sell share to private and public investors as a way of raising capital.
- Loans from banks and other commercial lender
- Playing games of luck and jackpots (Responsible Gambling)
- Inheritance

**18.** Imagine that you are a client of Mr Kalisa who sells Cameras in Kageyo market and you have purchased a Camera from his shop. He allows you to pay him in three installments.

**a)** Elaborate how installment payment would benefit you and Mr. Kalisa.

**(10 Marks)**

**b)** Propose any five risks that you and Kalisa are likely to face for using installment payment. **(5 Marks)**

**Answer**

**a) Benefits of installment payment to Mr Kalisa. / 10 marks**

**Benefits to the seller (Kalisa) (5 Marks)**

- **Increasing the turnover:** A seller is able to dispose off many of his/ her goods since many people tend to buy under this system.
- **Increase sales:** The market of the seller is widened. Many people find it more convenient to buy under this system compared to cash.
- **Repossession is possible:** Should the buyer fail to pay the instalments; the seller may repossess the product. If this is done, the already paid instalment is not refunded hence a benefit to the seller.
- **High profits are realized.** The interest tends to be very high and hence the seller is able to make high profits.
- **Defaulters can be eliminated:** The right of the seller to repossess the goods encourages the buyer to strive and pay all the instalments or else he/she incurs a loss. The number of bad debtors is reduced.
- **Facilitates continuous business:** The larger number of buyers paying regular instalments provides the business with continuous working capital hence helping business to expand

#### **Benefits to you the buyer (5 Marks)**

- **Obtaining expensive goods:** A buyer can get expensive assets he/ she would not have got under cash payment.
- **Raise standards of living:** The standard of living of the buyer tends to go-up. This is because he/she is able to obtain goods without paying all the money at once.
- **Bank security:** Items bought under instalment system may act as security for a buyer to apply for bank loans.
- **Convenience:** Instalment buying is a convenient system of buying goods compared to cash or other means.
- **Partial payment:** The buyer is in full use of the goods though payments are not yet completed. He/she is given time to look for money in bits while using the goods

#### **b) Disadvantages of installment payment to the seller and the buyer.**

**(5 Marks)**

#### **Disadvantages to the seller**

- **The seller runs** a heavy risk under this system, though he/she has the right to repossess goods from the defaulting customer, such goods may not be fit for resale, and they fetch a little price.
- **Capital** is tied up in form of debts.
- **Bad publicity.** Bad publicity may ensue if the buyer sues the defaulters.
- **Bad debt.** Instalment payment increases the risk of bad debts.

### **Disadvantages to the buyer**

- **High prices:** A buyer has to pay higher price for goods purchased which includes cost plus interest. The rate of interest is sometime quite high.
- **Artificial demand:** Hire purchase system creates the products, even if he or she does not need or cannot afford to buy the product.
- **Break up families:** the system puts a great financial burden on the families which cannot afford to buy costly and luxurious items. Recent studies in western countries have revealed that thousands of happy homes and families have been broken by hire purchase or instalments.
- **Repossessing of goods:** The seller may repossess the goods if the buyer fails to pay the instalments. In case of this, the buyer is not compensated.
- **Ownership of goods:** The buyer does not own the goods during this period until the instalments are fully paid.

**THE END**