

ENTREPRENEURSHIP I

004

05/11/ 2013 2PM – 5PM

REPUBLIC OF RWANDA



RWANDA EDUCATION BOARD

ORDINARY LEVEL NATIONAL EXAMINATIONS 2013

SUBJECT: ENTREPRENEURSHIP I

DURATION: 3 HOURS

INSTRUCTIONS:

1. Do not open this question paper until you are told to do so.

2. This paper has **two** sections **A** and **B** :

SECTION A: This section is compulsory. **(55 marks)**

SECTION B: Answer **any THREE** questions. **(45 marks)**

3 Calculators may be used where necessary.

4. Show clearly all the workings. **No marks will be given for answers which do not show the steps.**

SECTION A: ATTEMPT ALL THE QUESTIONS (55 marks)

1. a) Define consumption. (2 Marks)
b) State any four factors that influence consumption. (4 Marks)
2. Differentiate between an invoice and a receipt. (4 Marks)
3. You want to buy a computer in Nyarugenge market. Explain any five procedures you would use to ensure that you buy a computer of the best quality. (5 Marks)
4. Explain the steps in the process of changing from a domestic market to a completely integrated regional market. (5 Marks)
5. State any five reasons for keeping accounts of an enterprise (5 Marks)
6. Mention any five documents for declaration of goods in customs. (5 Marks)
7. a) Specify any two objectives of Rwanda Bureau of Standards (RBS). (2 Marks)
b) Explain any three types of standards. (3 Marks)
8. Identify any five stages in the procurement of office supplies. (5 Marks)
9. List any five roles of an entrepreneur. (5 Marks)
10. Explain any five steps in product planning. (5 Marks)
11. Outline any five elements of a financial plan. (5 Marks)

SECTION B: ATTEMPT ANY THREE QUESTIONS (45 marks)

12. a). State any three characteristics of a good tax. (3 Marks)
b). Explain the importance of tax from an economic, financial and social point of view. (12 Marks)
13. On 1 January 2013 Manzi started business with the following assets and liabilities:

Item	Rwf
Assets:	
Cash on hand	16,800
Stock on hand	48,000
Furniture and fittings	76,000
Machinery	80,000
Debtors	22,000
Liabilities:	
Creditors	30,800
Bank overdraft	12,000

Required:

- a) Calculate Manzi's opening capital. (5 Marks)
- b) Prepare a well organised balance sheet for Manzi. (10 Marks)

14. AKABUTO Enterprise wants to calculate the professional income tax on the salaries of October 2013 for their following employees:

Umulisa gets 550,000Rwf

Bagabo gets 400,000Rwf

Kamali gets 100,000Rwf

Mutangana gets 90,000Rwf

Kaliza gets 30,000Rwf

Required: Calculate the total amount for professional income tax of AKABUTO's employees. (15 Marks)

15. Celine Uwera owns a carpentry workshop and is planning to make 100 tables and 100 chairs within five months.

The following expenses will be made:

- Purchase of 300 wooden boards at 25,000Rwf per board
- Purchasing varnish and accessories: 800,000 Rwf
- 20 workers will be paid 30,000Rwf each
- Workshop rent at 100,000Rwf per month
- Electricity 30,000Rwf per month
- Water 6,000Rwf per month
- Repairs and maintenance 40,000Rwf per month
- Transport costs 50,000Rwf per month
- Telephone 40,000Rwf per month
- Security guard 20,000Rwf per month
- Miscellaneous expenses 10% of the total expenses
- Value Added Tax of 18%
- A table will be sold at 200,000Rwf and a chair 100,000Rwf.

Required: Prepare a budget for Celine Uwera's workshop. (15 Marks)

16. You have acquired a business loan from Bank of Kigali worth 4,000,000Rwf; the repayment period is 4 years, at an annual interest rate of 12%. You have been allowed to pay in 8 equal instalments over the loan period.

Prepare a loan repayment schedule to ensure effective loan management.

(15 Marks)

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