

Entrepreneurship I

004

04/11/ 2014

2PM- 5PM

REB

Rwanda Education Board

ORDINARY LEVEL NATIONAL EXAMINATIONS, 2014

SUBJECT: ENTREPRENEURSHIP I

DURATION: 3 HOURS

INSTRUCTIONS:

1. Do not open this question paper until you are told to do so.
2. Write your names and index number as they appear on your registration form.
3. This paper has **two** sections **A** and **B**

SECTION A: This section is compulsory.

(55 marks)

SECTION B: Answer **any THREE** questions.

(45 marks)

4. Calculators may be used where necessary.
5. Show clearly all the workings. **No marks will be given for answers which do not show the steps.**
6. Use blue or black pen.

SECTION A: Attempt all the questions. (55 marks)

1. Differentiate between mobile banking from ordinary banking. (4 marks)
2. Suggest any two benefits of trade between Rwanda and Uganda. (2 marks)
3. In the past, Rwandans wrote letters to their friends and sent them by post. Explain why using this method has been minimized in favour of other methods, and identify two of these other methods. (4 marks)
4. a) What is meant by "endorsement of a cheque" and what is its purpose? (3 marks)
b) Explain any two reasons for dishonouring a cheque. (4 marks)
5. Give two reasons why communication is important in business. (4 marks)
6. Explain the difference between reports, memos and letters. (6 marks)
7. Give two cases where the Rwanda Revenue Authority may use sanctions or penalties against a taxpayer. (4 marks)
8. a) Explain the importance of accounting records. (4 marks)
b) In Rwandan law, how long should accounting records be kept before they are put away in archives? (2 marks)
9. Give two reasons to explain why Government of Rwanda sensitises people to create their own small businesses. (4 marks)
10. Using examples, explain the process of calculating profit. (6 marks)
11. a) Suggest two reasons why achieving quality can increase revenue and help reduce costs. (2 Marks)
b) Outline any two responsibilities a firm may have to :
 - i. Its employees (2 marks)
 - ii. Its customers (2 marks)
 - iii. The local community (2 marks)

SECTION B : Choose any three questions. 45 Marks

12. Advertising creates demand for goods and services by informing and persuading.

- a) State any four methods used in persuading consumers to buy goods and services. **(4 marks)**
- b) Suggest any four dangers of unethical advertising to the Customer. **(4 marks)**
- c) State any three purposes other than increasing sales for which advertising may be used. **(3 marks)**
- d) Explain any four factors that influence consumption. **(4 marks)**

13. a) Write SACCO in full. **(1 mark)**
- b) Explain any three objectives of SACCO. **(6 marks)**
 - c) Give any two reasons to explain why Government of Rwanda empowering each of the following SACCOs:
 - i. Umwalimu SACCO **(4 marks)**
 - ii. Umurenge SACCO **(4 marks)**

14. On 21st October 2014, Mukiza, a stationery dealer, bought goods as follows :

- 80 Units ink pads at 26,555Rwf per unit
- 96 Units ribbons at 20,885Rwf per unit
- 110 Units file fasteners at 4,500Rwf per unit
- 152 box files at 3,900 each

All subject to 15% trade discount;

On 25th October 2014, Mukiza returned 50 ink pads because they were damaged.

- a) Calculate the amount to be paid by Mukiza. **(12 marks)**
- b) Name the document issued to Mukiza on the following dates.
 - i. 21st October 2014 **(1 mark)**
 - ii. 25th October 2014 **(1 mark)**
 - iii. 2nd November 2014 **(1 mark)**

15. a) What factors would the insurance company consider when fixing the premium for motor vehicle insurance? **(6 marks)**
- b) Iradukunda's car is involved in an accident eight months after being insured. Explain the procedure for making a claim. **(6 marks)**
- c) The car was valued at 5 million Rwandan Francs. It was insured for 4 million Rwandan francs. After getting involved in an accident, the cost of repairs the car was estimated at 3 Million. How much did Iradukunda receive in compensation? Give reasons. **(3 marks)**
16. Masabo invests 60,000,000Rwf in a machine that will cost 10,000,000Rwf per year to run and should generate 30,000,000Rwf a year of cash. The machine is expected to last for five years.
- a) Present this information in a cash flow table and explain the results. **(10 marks)**
- b) Calculate the payback period of this machine. **(5 marks)**