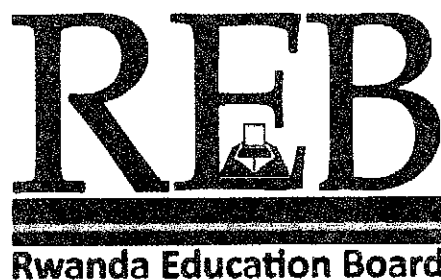


Entrepreneurship I

004

17/11/ 2015 2PM – 5PM



ORDINARY LEVEL NATIONAL EXAMINATIONS, 2015

SUBJECT: ENTREPRENEURSHIP I

DURATION: 3 HOURS

INSTRUCTIONS:

1. Write your names and index number on the answer booklet as they appear on your registration form and **DO NOT** write your names and index number on additional answer sheets of paper if provided.
2. Do not open this question paper until you are told to do so.
3. This paper has **TWO** sections : **A** and **B**.

SECTION A: Attempt **ALL** questions.

(55marks)

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

(45marks)

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.**

SECTION A: ATTEMPT ALL QUESTIONS. (55MARKS)

- 1) Differentiate commerce from trade. (4marks)
- 2) Identify any five uses of a budget for an entrepreneur. (5marks)
- 3) Explain the interrelationship between savings and credit in any bank. (4marks)
- 4) Identify any four factors that affect the choice of transport. (4marks)
- 5) Explain any three factors that affect the supply of an item. (6marks)
- 6) (a) What is meant by “discount”? (1mark)
(b) Distinguish between trade discount and cash discount. (4marks)
- 7) Explain any three types of a ledger. (6marks)
- 8) Give and explain any two types of books of original entry. (4marks)
- 9) Explain any two documents related to management and valuation of stock. (4marks)
- 10) State any three qualities of a good tax system. (3marks)
- 11) Identify any four factors that determine business success. (4marks)
- 12) (a) Describe any two reasons why setting priorities in a business is important. (2marks)
(b) Explain any two types of capital used in an enterprise. (4marks)

SECTION B: ATTEMPT ANY THREE QUESTIONS. (45MARKS)

- 13) With examples on each, explain how any five aids to trade support the trading activity in Rwanda. (15marks)
- 14) (a) Differentiate tax from fee. (3marks)
(b) Explain any six principles of a good tax system. (12marks)
- 15) Identify the types of goods according to their classification. (15marks)

16) Kankwanzi Alice owns and runs a clothes shop. The following transactions have taken place:

- Kankwanzi's cash sales amount to 61,200 Frw.
- She purchases jeans from Kamana worth 12,900 Frw.
- Kankwanzi sells a shirt and jeans to Bunani worth 7,600 Frw.
- She pays the shop rent of 25,000 Frw using cash.
- She purchases trainers worth 34,500 Frw on credit from Bwiza.
- Kankwanzi pays wages worth 16,600 Frw using cash.

Required: (a) Enter the transactions in Kankwanzi's ledger and carry down any balances.

(10marks)

(b) Extract a trial balance to check the accuracy of your entries

(5marks)

17) On 1 August 2015, Kamatari Agnes has three debtors. Her settlement terms allow a cash discount of 5% to customers who settle their debts before the end of August 2015.

Debtor	Amount owed	Date of payment by cheque
Gakwandi	2,800Frw	22 August, 2015
Edouard	80Frw	10 September, 2015
Jeanne	360Frw	29 August, 2015

Required: Prepare the ledger accounts for Kamatari.

(For illustrative purposes only: Kamatari does not keep a cash book.)

(15marks)

Blank page