



JINJA JOINT EXAMINATIONS BOARD

MOCK EEXAMINATIONS 2022

P230/1 ENTREPRENEURSHIP

MARKING GUIDE

1. (a) (i) Defining stores management: This is ensuring that all the activities involved in store keeping and stock control are carried out efficiently and economically by the workers employed in the store. (01 mark)
- (ii) Three factors that affect inventory levels in business:
- Level of demand for stock
 - Availability of storage space
 - Nature of the stock
 - Trade discount allowed
 - Lead time of the supplier
 - Stock holding cost
 - Availability of raw materials
 - Availability of working capital
- Any 3x1 = 03 marks)**
- (b) (i) Defining personal branding: Refers to the process of developing a mark that is created around one's own name or career. (01 mark)
- (ii) Principles of an effective personal brand.
- Specialisation
 - Leadership
 - Personality
 - Distinctiveness/uniqueness
 - Brand visibility
 - Unity
 - Persistence
 - Good will

Any 3x 1 = (03 marks)

- (c) (i) Cost of sales = sales – Gross profit
 But Gross profit = 40% of sales
 = 40% of 200,000
 = Shs.80,000
 = 200,000-80,000
 = Shs,120,000
- (ii) Net profit to sales ratio = $\frac{\text{Net profit} \times 100}{\text{Turnover}}$

But Net profit = Gross profit – Expenses

But Expenses /Transport = 18% of cost of sales
 = 18% of shs 120,000
 = Shs 21600

∴ Net profit = 120,000-21600

Net profit to sales ratio = $\frac{98,400 \times 100}{200,000}$
 = shs 98,400
 = 49.2%

(d) (i) 2 organisations the support entrepreneurship in Uganda.

- Uganda manufacturers Association (UMA)
- Uganda National Chamber of Commerce and Industry
- Uganda investment Authority
- URA
- ILO
- NAADS
- NEMA
- NSSF
- UNBS
- URSB
- UMEME
- KACITA

Etc

Any 2x1 = 02 marks

(ii) Services offered by support organisations to entrepreneurship

- Providing advice on quality standards
- Promoting environmental protection
- Encouraging saving among the entrepreneurs
- Providing water services to the business people.
- Providing of various research services to farmers.
- Providing advice on tax issues

- Providing various advisory services appropriate to the entrepreneurs about investment opportunities available
- Identifying markets both at home and abroad for the products produced.

Any 2x1 = 02 marks

(e) Business laws observed in entrepreneurial activities.

- Weights and measures Act
- Public Health Act
- Food and Drugs Act
- Trade description Act
- Price control Act/Price legislation
- Consumer protection law.
- Etc.

Any 4x1 = 04 marks

SECTION B

2. (a) Causes of high labour strikes in most enterprises may include:
- Unfair treatment of employees e.g discrimination
 - Sexual harassment by bosses
 - Excessive authority/dictatorship on part of management.
 - Inconsistence in promoting discipline for those who become indiscipline.
 - Non-payment of salaries or wages deliberately or without any clear explanation.
 - Delayed payments without any clear reason given to workers.
 - Low/Less pay which is given to the workers which do not match with the cost of living.
 - Non-involvement of employees in decision making.
 - Too much work load/Excessive work load against little pay which is not prompt.
 - Showing less concern to personal and social problems of the workers.
 - Job insecurity where workers are terminated anytime without clear reason(s) /Unfair dismissal of workers from employment.
 - Absence of fringe benefits given to workers
 - Absence of induction programmes for employees.
 - Health hazards in the workplace
 - Inadequate working tools
- (b) Effects of labour strikes on the business sector.

- Lose of production time and reduction in output
- Severely damages teamwork among employees
- Additional cost incurred on replacing the striking employees.
- Loss of customers
- Increased operational costs as machines may be adopted, living security personnel, legal costs etc.
- Loss of sales revenue
- Destruction of business property
- Damaged business image/reputation
- Strains the relationship between employer and employees.

3. (a) Factors that determine the target include:

- Level of income
- Consumption habits
- Level of competition
- Market share
- Age and sex composition of the target market area.
- Market trends /patterns
- Size of the population
- Level /degree of advertisement
- Government policy on subsidisation and taxation.
- Political climate.

Any 6x2 = 12 marks

Stating point = 01 mark

Explanation = 01 mark

(b) How an entrepreneur manages difficult customers?

- Receiving and immediately evaluating the objections raised by customers to determine whether they are genuine.
- Listening carefully to the words being used and the feelings expressed by the difficult customer.
- Apologising to the difficult customers either orally or in writing for inconvenience caused.
- Motivating the customer to open up by giving him/her enough time so as to reduce tension hence able to establish why he/she is difficult.
- Referring difficult customers to the customer care desk for between handling of their complaints.
- Inviting security guards/personnel to help in handling difficult customers who become violent at the business premises.

- Refunding the money to a difficult customer who reject replacement of a product /who demands a cash refund.
- Avoiding arguing with the difficult customers who are angry displeased or complaining
- Restricting difficult customers from accusing/ entering into business premises.
- Offering into business premises
- Offering discount to difficult customers in case the previous purchases made had a problem to calm them down.
- Talking to difficult customers and eventually convincing them that the problem experiences would not occur again in case of minor problems.
- Making follow ups to find out whether difficult customers are satisfied.
- Buying time for problems that cannot be solved immediately by asking thee difficult customers to come back later.

Any 8X1 = 08 marks.

4. (a) Distinguishing

Action plan – Refers to a timetable for implementing the planned business

(02 marks)

Activities in a logical way within a specific time period while/Yet

Marketing plan –Is an analysis of the possible position and opportunities of the business being planned in the current market situation. (02 marks)

(b) Why most business plans fail in Uganda

- Inadequate funds/capital
- Political instability/Insecurity
- Failure to involve stakeholders in preparation of business plans.
- Inadequate market research about the business idea.
- Under developed infrastructure
- Limited market
- Incompetent workers/Limited skilled labour
- Inconsistence of the business plan
- Government interference
- Personal weaknesses of the entrepreneur
- Industrial unrest.
- Unrealistic action plan
- Unrealisable source of inputs/Raw materials
- Economic instability.
- Natural calamities
- Unfavourable changes in customers' tastes and preferences.

Any 8x2 = 16 marks

Stating = 1 mark

Explanation = 1 mark

5. (a) Reasons for generating business idea

- To respond to market or customers' needs.
- To stay ahead of competition.
- To respond to the changing fashions and requirements.
- To respond to natural threat and scarcities
- To exploit technology to do things better.
- To bring new products on the market
- To help specific groups of people
- To increase sales.
- To increase profitability of the business
- To create a good business image
- To create a positive impact on the society
- To spread risks
- To respond to the product life cycle

Any 10 x1 = 10marks

(b) Ways of protecting a business idea

- Registering for copyrights
- Registering a brand name
- Use of unique packaging materials
- Use of unique trademark
- Keeping trade secrets
- Obtaining patent rights
- Communicating the idea after it has been protected
- Time stamping ideas e.g by sending an email to yourself with a short description of the idea.
- Making non-disclosure agreements with other people you plan to work with.

Any 5x2 = 10marks

6. (a) Factors that determine tax compliance are:

- The tax rate
- Quality of business management by the tax payers
- The quality of tax administration
- The popularity of the government and quality of governance
- The level of consistence and fairness in application of the tax laws and rules
- Simplicity of tax laws
- The extent to which the tax system is equitable.
- The extent to which the tax burden is spread to all potential tax payers.
- The level of income

- Level of tax education.

Any 6x2 = 12 marks)

Stating = 01 mark

Explanation = 01 mark

(b) Benefits of paying taxes to an entrepreneur

- Operating a business without fear of being closed down
- Receives government support in time of need.
- Winning of government tenders
- Easy access to resource and finance
- Enjoying protection from government secretary organs freely protect business assets and operations.
- Leads to development of infrastructure that benefits the business.

Any 4 x 2 = 08 marks

7. (a) Role of competition in the business

Positive roles.

- Leads to production of better quality products
- Leads to better customer satisfaction
- Promotes product diversification
- Leads to reduction in prices of products
- Leads to mass production
- Encourages exploitation of idle resources.
- Promotes research and development.
- Leads to better employee payment
- Leads to improved service delivery
- Creates more employment opportunities
- Encourages hard work
- Negative roles
- Leads to limited market
- Increases costs of production
- Leads to wastage of resources
- Leads to resource exhaustion
- Lowers the profits of business
- Reduces the morale of the entrepreneurs who lose out.
- Increases employee turnover.
- Limits research
- Limits expansion of the firm
- It leads to duplication of goods and services
- Increases unemployment.

Any 12 x1 = 12 marks

NB Any 8 positive roles = 8x1 = 08mks

Any 4 negative roles = $4 \times 1 = 04$ mks

(b) Factors considered when evaluating business competition

- Volume of sales
- Flow of customers/number of customers
- Level /state of technology
- Production orders
- Nature/quality of the workers employed
- Cash flow.
- Number of competitors in the market
- Profit level
- Quality of the products offered
- Price of goods and services
- Hours/ Time of business operation
- Quality of customer care

Any 8x1 =08 marks

End