

## Entrepreneurship II

# 020

14/11/ 2016

2pm - 5pm



### ADVANCED LEVEL NATIONAL EXAMINATIONS, 2016

### SUBJECT: ENTREPRENEURSHIP II

**COMBINATIONS: - ALL SCIENCE COMBINATIONS**  
**- ALL HUMANITIES**  
**- ALL LANGUAGES COMBINATIONS**

**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 on the answer booklet as written on your registration form.
3. This paper consists of **TWO** sections : **A** and **B**.  
**Section A:** Attempt **ALL** questions. **(55 marks)**  
**Section B:** Attempt **any THREE** questions. **(45 marks)**
4. Non-programmable calculators may be used where necessary.
5. Show clearly all the working. **No marks will be given for answers without all working steps.**
6. Use only **blue** or **black** pen.

**SECTION A: Attempt all questions (55 marks)**

- 1 a) Explain any two roles of Electronic Billing Machine (EBM) to Rwanda's economic development. **(2marks)**
- b) What challenges are likely to be faced when using the EBM? **(3marks)**
- 2) You are interested in a certain career. But, before you can join the career, you have to gather information about it. Design about four questions you would ask in order to learn more about that career. **(4marks)**
- 3) Identify any four examples of the importance of ethics in business. **(4marks)**
- 4) State any four circumstances under which entrepreneurs may sell their products on credit. **(4marks)**
- 5) Explain any three types of cash books. **(6marks)**
- 6) Outline any four advantages of "double entry" system in accounting. **(4marks)**
- 7) Give any four main reasons why an enterprise may need to adapt innovations. **(4marks)**
- 8 a) What is meant by "action plans"? **(1mark)**
- b) Explain any two reasons why it is necessary to prepare action plans. **(4marks)**
- 9) Identify any four ways in which some people can earn money illegally. **(4marks)**
- 10) Describe any four roles of competitor analysis during the process of strategic planning by an Entrepreneur. **(4marks)**
- 11 a) Define the term "market assessment". **(1mark)**
- b) Mention any three objectives of carrying out market assessment. **(3marks)**
- 12) Assess any four positive effects of business activities on the environment. **(4marks)**
- 13) Identify any 3 reasons for making a Cash flow Statement by entrepreneurs. **(3marks)**

**SECTION B. Attempt any three questions (45Marks)**

- ⑭ a) What is meant by "socio-economic development"? **(1mark)**
- b) Give and explain any seven major indicators of socio-economic development in Rwanda. **(14marks)**

15) Karamaga wishes to expand his small enterprise producing cooking oil to meet the increasing demand for it.

a) Design a financial plan for the expansion of his enterprise.

**(10marks)**

b) Draw a new organizational chart to show the expanded enterprise.

**(5marks)**

(16) The following information was extracted from the books of MUTESI's enterprise for the month of October 2016.

October 1, 2016 Balance brought down from September 2016 Frw

Cash balance 290,000

Bank balance 6,540,000

**Debtors Accounts**

Kamali Olivier 1,200,000

Sibomana Ali 2,800,000

Sifa Malaika 400,000

**Creditors Accounts:**

Tito Olympe 600,000

Louise Kankindi 4,400,000

Jane Mukanoheli 1,000,000

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In addition, the following transactions took place:

October 2: Kamali Olivier settled his account by cheque (less 2.5 % discount).

October 5: Sold goods by cheque with a value of 2,000,000Frw.

October 8: Paid Jane Mukanoheli by cheque (after deducting 5% discount).

October 9: Bought goods on credit from Mukama and sons worth 3,000,000Frw.

October 11: Withdrew 1,000,000 Frw from the bank for business use.

October 16: Safari Akiwacu settles her account by cheque (less 2.5 % discount).

October 18: Sold goods on credit to Kamali worth 420,000 Frw.



October 25: Paid wages in cash worth 920,000 Frw.

October 26: Sifa Malaika paid cash (less 5% discount).

October 27: Paid Tito Olympe by cheque (less 5% discount).

October 28: Paid Mukama and sons the amount due by cheque (less 5% discount).

October 29: Kahinda paid the amount due from him by cash (less 2% discount).

October 30: Paid Louise Kankindi by cheque (less 2.5% discount).

**Required:** Write Mutesi's three column Cash Book and balance it off as at the end of October 2016.

**(15marks)**

17. Mr Kanani is an established wholesaler in household goods. On 3 October 2015 he purchased goods from the Silver Factory Ltd. On credit worth 1,600,000 Frw. On 21<sup>st</sup> November he made a payment for the goods by cheque and received a 10% discount. Transactions in regard to the sale of goods by Mr Kanani are as follows:

October 5: Sold goods on credit to T.Mburano 100,000Frw.

October 12: Sold goods in cash 80,000Frw.

October 20: Sold goods and received a cheque 580,000Frw.

November 10: Received payment from Mburano in cash allowing him a discount of 7,000Frw.

November 11: Sold goods on credit to S.Akimana 600,000Frw giving him (a trade discount of 10%).

November 29: S. Akimana settled his account and was allowed a discount of 5% she paid by cheque.

**Required:** Extract the following accounts showing relevant information:

- |                                 |                 |
|---------------------------------|-----------------|
| i) T.Mburano account            | <b>(3marks)</b> |
| ii) S.Akimana account           | <b>(3marks)</b> |
| iii) Silver factory Ltd account | <b>(3marks)</b> |
| iv) Discount allowed account    | <b>(3marks)</b> |
| v) Discount received account    | <b>(3marks)</b> |

(Ignore double entry in the cash, bank, sales and purchase account).