

Entrepreneurship I

011

16 Nov. 2012 2pm - 5pm

REPUBLIC OF RWANDA



RWANDA EDUCATION BOARD (REB)

ORDINARY LEVEL NATIONAL EXAMINATIONS 2012

SUBJECT: ENTREPRENEURSHIP

DURATION: 3 HOURS

INSTRUCTIONS:

This paper has **two** sections, **A** and **B**

SECTION A: Answer **ALL** questions. **(55 marks)**

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

Calculators may be used where necessary.

Show all the workings clearly.

SECTION A: Answer all questions (55 marks)

1. a. Differentiate between a sole proprietorship and a partnership. (2 marks)
b. Differentiate between wholesale trade and retail trade, giving one example of each. (4 marks)
- ✓2. Name any four means of transport. (4 marks)
- ✓3. List **five** documents used in buying and selling of goods and services. (5 marks)
- ✓4. a. What is saving? (2 marks)
b. State and explain **four** forms of saving. (4 marks)
- ✓5. a. Mention **three** examples of aids to trade. (3 marks)
b. Identify **three** main types of banks in Rwanda's banking system. (3 marks)
6. a. Explain **three** basic requirements for opening a bank account. (3 marks)
b. Differentiate between a savings account, a term deposit account and a current account. (3 marks)
- ✓7. a. What is accounting? (2 marks)
b. Name **three** main types of accounting. (3 marks)
- ✓8. Suppose you are a store manager of an enterprise, identify **five** documents you would use in your work. (5 marks)
9. a. Classify enterprises in **four** categories according to their size. (4 marks)
b. Explain **three** ways in which capital may be used. (3 marks)
10. Explain **two** different types of employment contracts. (2 marks)
- ✓11. What are the **three** basic economic questions that an entrepreneur must consider before starting a business project? (3 marks)

SECTION B: Answer only three questions (45 marks)

12. a. i) What is planning?
ii) Why is planning important in business? (5 marks)
✓b. Explain the roles of a business enterprises in Rwanda. (10 marks)
13. a. Identify 5 criteria to be considered for a product before it is put on the market. (5 marks)
✓b. Explain the different factors that can influence the location of an enterprise. (10 marks)

14. A timber company makes children's furniture and usually sells its products to a specialized distributor. In October, their accounts show the following balances:

Sales	250,000Rwf
Purchases of wood	35,000Rwf
Purchases of varnish and small materials	12,000Rwf
Expenses on services and utilities (advertisement, electricity, telephone etc)	3,000Rwf
Miscellaneous expenses (financial expenses, etc.)	10,000Rwf
Salaries and allowances	70,000Rwf

These figures do not include VAT

Required

- Calculate the company's profit before deducting VAT. **(10 marks)**
- What will be the amount for VAT at the rate of 18%? **(5 marks)**

✓ 15. On 1 January 2012, Mukamana started an enterprise with 300,000 RWF cash at hand and building estimated to 1,000,000 RWF. She bought furniture for 50,000 RWF, equipment for 30,000 RWF and goods for 120,000 RWF and deposited half of the remaining money into the bank, keeping the other as cash. Draw up her opening balance sheet. **(15 marks)**

16. Identify and explain the various stages of a project **(15 marks)**