

**ENTREPRENEURSHIP I**

**004**

**05/11/ 2013 2PM - 5PM**

**REPUBLIC OF RWANDA**



**RWANDA EDUCATION BOARD**

**ORDINARY LEVEL NATIONAL EXAMINATIONS 2013**

**SUBJECT: ENTREPRENEURSHIP I**

**DURATION: 3 HOURS**

**INSTRUCTIONS:**

1. Do not open this question paper until you are told to do so.
2. This paper has **two** sections **A** and **B** :  
**SECTION A:** This section is compulsory. **(55 marks)**  
**SECTION B:** Answer **any THREE** questions. **(45 marks)**
3. Calculators may be used where necessary.
4. Show clearly all the workings. **No marks will be given for answers which do not show the steps.**

**SECTION A: ATTEMPT ALL THE QUESTIONS (55 marks)**

1. a) Define consumption. **(2 Marks)**  
b) State any four factors that influence consumption. **(4 Marks)**
2. Differentiate between an invoice and a receipt. **(4 Marks)**
3. You want to buy a computer in Nyarugenge market. Explain any five procedures you would use to ensure that you buy a computer of the best quality. **(5 Marks)**
4. Explain the steps in the process of changing from a domestic market to a completely integrated regional market. **(5 Marks)**
5. State any five reasons for keeping accounts of an enterprise **(5 Marks)**
6. Mention any five documents for declaration of goods in customs. **(5 Marks)**
7. a) Specify any two objectives of Rwanda Bureau of Standards (RBS). **(2 Marks)**  
b) Explain any three types of standards. **(3 Marks)**
8. Identify any five stages in the procurement of office supplies. **(5 Marks)**
9. List any five roles of an entrepreneur. **(5 Marks)**
10. Explain any five steps in product planning. **(5 Marks)**
11. Outline any five elements of a financial plan. **(5 Marks)**

**SECTION B: ATTEMPT ANY THREE QUESTIONS (45 marks)**

12. a). State any three characteristics of a good tax. **(3 Marks)**  
b). Explain the importance of tax from an economic, financial and social point of view. **(12 Marks)**
13. On 1 January 2013 Manzi started business with the following assets and liabilities:

Item	Rwf
<b>Assets:</b>	
Cash on hand	16,800
Stock on hand	48,000
Furniture and fittings	76,000
Machinery	80,000
Debtors	22,000
<b>Liabilities:</b>	
Creditors	30,800
Bank overdraft	12,000

**Required:**

- a) Calculate Manzi's opening capital. (5 Marks)  
b) Prepare a well organised balance sheet for Manzi. (10 Marks)

14. AKABUTO Enterprise wants to calculate the professional income tax on the salaries of October 2013 for their following employees:

Umulisa gets 550,000Rwf

Bagabo gets 400,000Rwf

Kamali gets 100,000Rwf

Mutangana gets 90,000Rwf

Kaliza gets 30,000Rwf

**Required:** Calculate the total amount for professional income tax of AKABUTO's employees. (15 Marks)

15. Celine Uwera owns a carpentry workshop and is planning to make 100 tables and 100 chairs within five months.

The following expenses will be made:

- Purchase of 300 wooden boards at 25,000Rwf per board
- Purchasing varnish and accessories: 800,000 Rwf
- 20 workers will be paid 30,000Rwf each
- Workshop rent at 100,000Rwf per month
- Electricity 30,000Rwf per month
- Water 6,000Rwf per month
- Repairs and maintenance 40,000Rwf per month
- Transport costs 50,000Rwf per month
- Telephone 40,000Rwf per month
- Security guard 20,000Rwf per month
- Miscellaneous expenses 10% of the total expenses
- Value Added Tax of 18%
- A table will be sold at 200,000Rwf and a chair 100,000Rwf.

**Required:** Prepare a budget for Celine Uwera's workshop. (15 Marks)

16. You have acquired a business loan from Bank of Kigali worth 4,000,000Rwf; the repayment period is 4 years, at an annual interest rate of 12% .You have been allowed to pay in 8 equal instalments over the loan period.

Prepare a loan repayment schedule to ensure effective loan management.

(15 Marks)