**MARKING SCHEME**

**ENTREPRENEURSHIP-S1 COMPREHENSIVE -2021**

**SECTION A**

1. **a) Why do you study an entrepreneurship subject at school. (3 Marks)**

I study an entrepreneurship in order to know how to create a better tomorrow by starting new businesses that can provide jobs and improve life in Rwanda.

**b) What is your contribution to Rwandan society after studying entrepreneurship? (3 Marks)**

My contribution to Rwandan society after studying entrepreneurship is:

* to know what is a problem in a society?
* come up with solution by making new product and selling it for making a profit
* and provide jobs to Rwandan people for to improve their life.

1. **As an entrepreneur, explain why you need to know about economics. (4 Marks)**

Economics is the study of how people choose to use resources such us land, raw materials, buildings and equipment. Another resource is the time that we spend working. The skills and knowledge that we use to create useful products and services are also resources. As an entrepreneur who plays an important role in the community. I therefore need to understand how my community and the world function. To do this I need to know about economics, the study of how people choose to use resources. To do this, economics studies how people choose to use resources. Land, raw materials, buildings and equipment are resources. Entrepreneurs use ideas to start new businesses, so ideas are also a resource.

1. **Show any three importance of standardization in Rwanda. (6 Marks)**

Standards are important for many different reasons. When a product follows standards,

* we know what the quality of the product is and what materials are used to make it.
* A product that follows standards can be sold to other countries.
* Some standards give us important information, for example, that the business that made the product did not harm the environment.
* A standard can also protect workers, for example, health and safety standards.
* Customers also need to know that products are safe to use.

4. **Explain any three qualities needed by an entrepreneur needs to succeed. (6 Marks)**

These qualities include:

* + innovative: finds new and creative solutions; able to find viable business opportunities
  + risk-taker: takes personal and financial risks when starting a business
  + decision-maker: makes many important decisions about the business and finances
  + persistent: does not give up; willing to persevere and continues to work hard in spite

of difficulties

* + determined: motivated to succeed
  + hard working: works long hours.

**5. Match the following personal description with their puzzle piece. (5 Marks)**

|  |  |
| --- | --- |
| Personal description | Puzzle piece |
| 1.I am good at setting goals and making decisions | A. Managing finances |
| 2. I am attentive, patient and tolerant of people who are different to me. | B. Selling and promoting |
| 3. I am friendly, love being with people and am interested in the latest trends. | C. Making products. |
| 4. I enjoy math, am prudent and good with money. | D. Managing people |
| 5. I am practical and pay attention to detail. | E. Business planning |

**Answer**

1.E

2.D

3. B

4. A

5. C

**6.Explain what is scanning the environment in business. (2 Marks)**

Scanning the environment is about knowing the problem which is in the environment and try to answer that problem.

**7. Differentiate the following words: Entrepreneurship, Entrepreneur, intrapreneur and enterprising person. (8 Marks)**

Entrepreneurship is the process of starting and running a business. The aim of the business is to make a profit.

An entrepreneur uses an idea to start and run his own business.

An Intrapreneur starts and runs projects for a company.

An enterprising person has many ideas and often becomes an entrepreneur.

**8.Show how you should become a self –reliant student. (6 Marks)**

* **Meaning of Self-reliant :** if you are **self-reliant**, you are able to do things and make [decisions](https://www.collinsdictionary.com/dictionary/english/decision) by yourself, without needing other people to help you.
* **How to become self-reliant:**

**Step 1**: Take responsibility for your actions. If you have relied on your parents to wake you up every day so that you are not late for school, it is time to use your own alarm clock. Keep a calendar with important dates such as tests and exams. Work hard at school and apologise when you make a mistake. When you take responsibility you control your own life.

**Step 2**: Be informed. Read books, ask questions and talk to your parents, your teacher and older persons in your community. They can teach you how to solve problems and grow as a person.

**Step 3**: Make goals for yourself. Plan your future and set out tasks that will help you reach your goals.

**Step 4**: Make your own decisions.

**9. As a student, explain how you make your budget. (6 Marks)**

To make my budget:

* I need to know where our money comes from. In a business, money can come from the sales of products or services. An individual usually earns money from a salary, or from providing goods or services. Finance is money or funds needed for business or personal reasons.
* We also need to know the cost of things that we need or want to buy. If we do not have enough money to buy the things straight away, then we have different options:
* We can first save the money.
* We can also obtain money from:

• other people who want to invest in a business

• loans.

Obtaining money to buy things for a business or a private person is called financing

**10. Explain any two types of business growth. (6 Marks)**

A business can grow in two ways:

* Firstly, a business can sell more products and services. Often this means that the business needs to hire more people, move to larger premises or invest in a delivery van. This growth is therefore easy to see. A business can grow by selling more products.
* The second way that a business can grow is by decreasing costs. A business aims to make a profit. Profit is the difference between the income of the business and the costs. If the business can decrease the costs, then the profit increases. This is also business growth.

**SECTION B: ANSWER ANY THREE QUESTIONS**

**11.a) Explain what is health. (3 Marks)**

The World Health Organization (WHO) states that. ‘Health is a state of complete physical, mental and social well-being and not merely the absence of disease or disability.’

**b) With examples, who is a healthy person? (12 Marks)**

This means that a healthy person has:

• physical health – can see, hear, walk, jump and perform other activities without problems

• mental and emotional health – feels good emotionally and can reach his or her full potential

• social health – feels a sense of belonging to a community.

**12.a) Kayigema is a shareholder in a business. He owns 3% of the shares. At the end of year of 2020, the profit of the business is RWF 100,000,000. How much money will Kayigema receive at the end of 2020? (3 Marks)**

**Formula**

100,000,000 x 3/100 = 3,000,000 Rwf

**b) Gatesi is the owner of a transport business. He transports potatoes, fruits and vegetables from farmers to Huye. To buy her trucks, he borrowed money from the Tuzamurane Umurenge Sacco. He employs three drivers. Identify all users of accounting for Tuzamurane’s business and explain why each user you identified needs the accounting information. (12 Marks)**

**Users of the Accounting Information**

users of accounting information, i.e., (1) Owners, (2) Management, (3) Creditors, (4) Regulatory Agencies, (5) Government, (6) Potential Investors, (7) Employees, and (8) Researchers.

**1. Owners:**

The primary objective of accounting is to provide necessary information to the owners relating to their business. For example, the shareholders of a company are interested in the accounting information with a view to ascertaining the profitability and financial strength of the company.

**2. Management:**

In large business organizations there is a separation of the ownership and management functions. The managements of such concerns are more concerned with the accounting information because of their accountability to the owners for better performance of their concerns.

**3. Creditors:**

Trade creditors, debenture holders, bankers, and other lending institutions are interested in knowing the short-term as well as long-term position of the company. The financial statements provide the required information for ascertaining such position.

**4. Regulatory Agencies:**

Various governments and other agencies use accounting reports not only as a basis for tax assessment but also in evaluating how well various business concerns are operating under regulatory framework.

**5. Government:**

Governments all over the world are using financial statements for compiling statistics concerning business units, which, in turn help in compiling national accounts.

**6. Potential Investors:**

Investors use the information in accounting reports to a greater extent in order to determine the relative merits of various investment opportunities.

**7. Employees:**

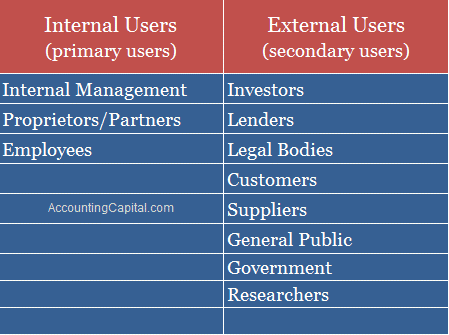
Employees are interested in the earnings of the enterprise because their pay hike and payment of bonus depend on the size of profits earned.

**8. Researchers:**

The research scholars in their research in accounting theory as well as business affairs and practices also use accounting data. In addition, those with indirect concern about business enterprise include financial analysts and advisors, financial press and reporting, trade associations, labour unions, consumers, and public at large. Thus, the list of actual and potential users of accounting information is large.

There are primarily two types of users of accounting information;

Internal users (primary users) – If a user of the information is part of the business itself then he/she is considered as one of the internal or primary users of accounting information.For example, management, owners, employees, etc. The branch of accounting which deals with internal users is called [management accounting](https://www.accountingcapital.com/basic-accounting/management-accounting/). External users (secondary users) – If a user of the information is an external party and is not related to the business then he/she is considered as one of the external or secondary users of accounting information.For example, potential investors, lenders, vendors, customers, legal and tax authorities, etc.



*List of Internal and External Users of Accounting Information*

**13. Explain any 5 roles of entrepreneur in entrepreneurship.**  **(15 Marks)**

An entrepreneur needs to fill many roles. To be successful, an entrepreneur must:

* **Scan the environment**: Walk through your local town or village and through different information. You can identify a need for a business as entrepreneur or find a problem in the society.
* **Identify business opportunities**: Often an entrepreneur finds business opportunities because of a problem or need.

A business opportunity needs to:

• meet a need of customers

• be different from the competition

• complement your skills and interests

* **Find and allocate necessary resources**: Entrepreneurs use three types of resources to start a business:

• natural resources – things from nature that we use such as wood, land and water

• human resources – people who have skills and knowledge needed to produce and sell products and services

• capital resources – money that we invest in a business.

As entrepreneurs it is our responsibility to ensure that we use resources responsibly.

* **Set up and manage the business**: Once you have identified a business opportunity and found and allocated resources, you need to set up and start the business. It is often difficult to start a business and you need all the characteristics of a good entrepreneur to be successful.

**14. Do you think that export is better than import to any country? Explain your answer. (15 Marks)**

When we import products, we buy products from businesses outside Rwanda.

We export products that are made in Rwanda to other countries.

**What is the difference between the export and import?**

**Exports** refers to selling goods and services produced **in the** home country to other markets. **Imports** are derived from the conceptual meaning, as to bringing **in the** goods and services into the port **of** a country. An **import in the** receiving country is an **export** to the sending country.

**Is it better to import or export more?**

If you **import more** than you **export**, **more** money is leaving the country than is coming in through **export** sales. On the other hand, the **more** a country **exports**, the **more** domestic economic activity is occurring. **More exports** mean **more** production, jobs and revenue.

**Why is it bad to import more than export?**

If a country **imports more than** it **exports,** it runs a trade deficit. If it **imports** less **than** it **exports**, that creates a trade surplus. When a country has a trade deficit, it must borrow from other countries to pay for the extra **imports**. ... First, **exports** boost economic output, as measured by gross domestic product.

It’s almost always better to have more exports, because it means more money is going into your country, you don’t take out loans, etc.

**“Is it better for a country to have way more exports than imports or to try to reach a balance between the two.”**