

UNEB U.C.E ENTREPRENEURSHIP EDUCATION (PAPER 2) 2006

SECTION A: (40 marks)

1. a) i) Mention any two challenges facing agribusiness in your country.
ii) Suggest any two solutions to the challenges in a) (i) above.
- b) i) What is meant by factors of production?
ii) State any three factors of production.
- c) I) Define the term "price".
ii) Give any three methods of pricing products.
- d. The following particulars were obtained from JET (U) Ltd as at 30.06.2005:
shs
Sales 30,000,000
Purchases 15,000,000
Opening stock 10,000,000
Closing stock 5,000,000
Expenses 4,000,000
Calculate the: i) cost of sales,
ii) net profit.
- e) i) What is meant by the term "advertising"?
ii) Give any three factors an entrepreneur should consider when choosing a medium of advertising a product.
- f) Mention any two uses of a business plan to the:
 - i.) Entrepreneur
 - ii. Employees of the business.
- g) i) Distinguish between marine insurance and aviation insurance.
ii) State any two benefits of insuring a business.
- h) i) Define the term "contract".
ii) Give any three circumstances under which a contract may be discharged.
- I) Given that a purchase invoice shows 5 items of shs8,000,000 each, less trade discount of 25% and cash discount of 10%, if paid within the credit period:
Calculate the amount: i) of cash discount

ii) to be paid to the supplier.

j) i) What is a trial balance?

ii) State any three errors that affect the trial balance totals.

SECTION B (60 marks)

2. a) In what ways do businesses affect the natural environment?

b) Suggest measures that should be taken to reduce the negative effects of business on the environment.

3. a) Why is it necessary to ensure quality control during production?

b) Explain the factors that should be considered when purchasing raw materials for a manufacturing business.

4. a) What are the sources of information for a market survey?

b) Explain the importance of carrying out a market survey.

5.a) State any five insurable risks of a business.

b) Explain the principle of insurance.

6.a) Describe the different types of business laws used in your country.

b) Explain the importance of business laws in your country.