ENTREPRENEURSHIP 3
7055

GENERAL CERTIFICATE OF EDUCATION BOARD

Technical and Vocational Education Examination

JUNE 2021 **ADVANCED LEVEL**

Specialty Name (Specialty. Code)	All Specialties
Subject Title	Entrepreneurship
Subject Code No.	7055
Paper No.	3

Three hours

INSTRUCTIONS TO CANDIDATES

This Paper is made of SECTION A and SECTION B

Section A: Answer all Questions.

Section B: Answer Any Two Questions.

Non Programmable Calculators are allowed.

You are reminded of the necessity for good English and orderly presentation in your answers.

Turn Over

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SECTION A: Answer all questions in this section

Carefully read through the passage and answer the questions that follow.

Aunty Manka'a and her Business Unit Challenges

With her savings and little financial support from her family and friends, Aunty Manka'a's Tailoring business began about 20 years ago in Ntarinkon, Bamenda town. Given that she was naturally creative and highly skilled in craftsmanship, she was quick to notice the excess demand for traditional wears of the North West Region of Cameroon and eventually took advantage and specialised in its production and even began making some profits. Later, she started experiencing a series of business failures that almost saw her out of business completely.

After about 6 years of existence, Aunty Manka'a was able to boast of six (6) seamstresses under her supervision. Being an owner manager, she was preoccupied with how to eliminate job dissatisfaction for the six employees who were mostly unskilled and often charged with repetitive work. After about 25 years of steady success and enormous growth in business, Aunty Manka'a began to face problems of rapid business growth. Her son, Neba John who had grown to acquire relevant skills in management through an MBA degree from an American based Business College. He recently convinced the mother (Aunty Manka'a) to incorporate her business as a Dynamic Tailoring and Fabrics Limited with Head Office in Ntarikon, Bamenda. He based his arguments mostly on the need for more capital to expand the business and to diversify operations so as to achieve a competitive advantage in the market for African wears (Afritude). More so, the size of the company in terms of employees had grown to over a hundred.

Recently, with more advice from a management consultant, the management of Dynamic Tailoring and Fabrics Limited considered options of going international with the aim of finding customers in the USA, and in the EU. However, she is reluctant to engage in international trade mostly because of cash flow problems. Despite the challenges for the management of the business, Aunty Manka'a is more hopeful that one day her business would be viable and innovative enough to overcome every challenge presented by the fast changing and highly competitive business environment and eventually becoming a world class multinational.

QUESTIONS:

1. With your knowledge of the entrepreneurship process, mention the steps that Aunty Manka'a omitted in this process that she needed to learn from a management consultancy. **(6 marks)**

2. (a) Bring out four factors that motivated Aunty Manka'a to become an entrepreneur **(6 marks)**
   (b) Despite the advantages associated with business growth, why would any entrepreneur consider rapid business growth as a problem? Mention any 6 points. **(6 marks)**

3. The sole proprietorship eventually became a private limited liability company. If you were Neba John, advance any three arguments to convince Aunty Manka'a to grow into this legal form of business. **(6 marks)**

4. Explain the following phrases as used in the passage:
   (a) A private limited company
   (b) "...Innovative enough to overcoming every challenge..."
   (c) Cash flow problems
   (d) A business opportunity **(4 x 1 mark)**

5. Considering that Aunty Manka'a wants to see her business go international and you are a management consultant whose services have been solicited by the management of Dynamic Tailoring and Fabrics Limited on this issue, advise this client on:
   (a) Four common causes of cash flow problems and suggest ways to remedy each of them. **(8 marks)**
   (b) Four internal business growth strategies that can be used. **(4 marks)**

(Total = 40 marks)

SECTION B: Answer any two questions in this section

6. Mr. Ngoh has the ambition to become an entrepreneur. Working at NPK enterprise, he occupies the post of Head of Marketing Department and has qualities of an intrapreneur. Based on his advice, the enterprise erroneously copied and used a trade mark that belongs to a competitive firm in violation of copyright.

   (a) Differentiate between an entrepreneur and an intrapreneur. **(6 marks)**
   (b) Explain four (4) types of trademarks. **(8 marks)**
   (c) Advance four (4) ways by which employees like Mr. Ngoh can be motivated to become intrapreneurs in an enterprise. **(8 marks)**
   (d) Bring out the consequences on NPK enterprise of using a competitor's trade mark in violation of the copyright. **(8 marks)**

(Total = 30 marks)

7. Mrs. Ayamba is a technopreneur based in Douala and leading an entrepreneurial team of 10 workers. Recently, she was faced with the challenge of motivating her staff and decided to adopt a theory Y management style.

   (a) Explain any five characteristics of a technopreneur. **(10 marks)**
   (b) Give five (5) reasons why Mrs Ayamba's Theory Y management style can help motivate her staff. **(10 marks)**
   (c) Suggest five (5) non-financial motivators she can use to motivate her team members. **(10 marks)**

(Total = 30 marks)

8. MBI–ARREY & SONS LIMITED is a luxurious craft enterprise, specialised in the manufacture of male shoes on order. The business employs four workers, each remunerated individually. The system of remuneration used in this enterprise is made up of two types of allowances: a piece rate allowance of 20,000 F CFA per pair of shoes produced and an allowance granted per unit of time saved at 3,000 F CFA per pair of shoes. The hourly basic salary amounts to 10,000 F CFA. The table below summarises for the month of May 2021, the number of pairs of shoes manufactured per worker and the time effectively spent in hours.

Workers	**1st**	**2nd**	**3rd**	**4th**
Number of pairs of shoes produced	3	4	3	4
Time effectively spent	32	40	34	42

NB. The average time allocated for the manufacture of a pair of shoes is 12 hours.

Work Required

i. Give the importance of individualizing salaries in the management of human resources? **(4 marks)**

ii. Mention the elements that should be taken into account when calculating individual remuneration. **(6 marks)**

iii. Calculate the piece rate allowance for each of the workers **(5 marks)**

iv. Calculate the amount of allowance based on time saved for each of the workers **(5 marks)**

v. Given that the workers are granted both allowances, calculate the income of the 2nd and 4th workers of MBI–ARREY & SONS LIMITED. **(10 marks)**

Total (30 marks)