**EXERCISES FOR S6 ALL20/04/2020**

1.

1. What changes have you observed in your locality over the past five years and the potential negative effects of entrepreneurs towards those changes?
2. Referring to your community, what do you understand by social economic development?

2.

1. Describe some of the changes in terms of development that you have observed in order to make your community a better place than it is now
2. Explain how some ways of conducting entrepreneurship may holdback development rather than promoting it

**3.**

1. With examples in your community; briefly discuss the social economic changes that occurred over the past five years.
2. Reflect on your community and describe at least 2 people or enterprises and how they have contributed to social economic development.
3. Every last Saturday of the month, all Rwandans participate in ―umuganda‖ (community work day).

Imagine in your sector the Umuganda was organized and hosted by your Cell and as

entrepreneurship student you have been invited to address the congregation after Umuganda.

The theme is ―Promoting social economic development in our Sector‖

1. Briefly share with the people present, the contribution of ―umuganda‖ towards the social

economic development of your area.

1. Discuss the different challenges to social economic development of your community.
2. Suggest and briefly explain possible ways that can be used to overcome the above challenges.

**4.**

1. Reflect on your community and discuss the visions of Socio-economic development in your respective localities
2. Increasing youth employment is central to Rwanda`s employment policy in the context of Rwanda vision 2020 and job strategy.
3. Mention at least 2 prominent entrepreneurs from your locality and discuss how they have contributed to the community development.
4. Explain the problems the society would face if such entrepreneurs were not operating in the community
5. Some entrepreneurial activities hinder socio-economic development.

By use of the entrepreneurial practices below, briefly explain how they can hamper the socio-economic development.

1. Improper packaging Out competing small scale entrepreneurs
2. Harmful products like expired products
3. Pollution from factories industries
4. Advanced technology that creates unemployment
5. Discuss the role of entrepreneurship in employment creation.

**5.**

1. Discuss various components of environment, Describe different types of the environment
2. Explain briefly the effects of entrepreneurial activities on environment and society
3. Discuss different ways businesses have proactively contributed to the social and environmental context.
4. What benefits can an enterprise achieve by supporting these activities?
5. What achievements will the participants gain in involving in these different activities?

6.

* 1. As a manager of the small enterprise, you have saved 1,000,000 Frw to spend on social responsibility. Identify five urgent problems affecting the community and explain how you can use that saving to come up with solutions to the above problems.
	2. Explain the importance of corporate responsibility.
	3. Explain the positive and negative effect a cement factory to be located in your sector is likely to have on the natural environment
	4. Explain what you can do to reduce the negative effect of your business activities on the natural environment.
	5. Why is it necessary for an entrepreneur to take care of the natural environment?
	6. Identify and explain the responsibility of business to society and the environment
	7. Differentiate between the economic environment and the legal environment of a business
	8. Discuss the role of entrepreneurship in socio economic development
	9. Briefly explain how the following external business environment factors may negatively affect business activities
		+ 1. Economic environment
			2. Legal environment
			3. Natural environment
			4. Society

7. Observing what is surrounding you in your community, explain the changes that you have seen

1. in regard to socio economic development
2. In your community, examine the major indicators of socioeconomic development

8. Explain the positive and negative effect a cement factory to be located in your sector is likely to have on the natural environment

9. Explain what you can do to reduce the negative effect of your business activities on the natural environment.

10. Why is it necessary for an entrepreneur to take care of the natural environment?

11.Identify and explain the responsibility of business to society and the environment

12.Differentiate between the economic environment and the legal environment of a business

13.Discuss the role of entrepreneurship in socio economic development

14.Briefly explain how the following external business environment factors may negatively affect business activities

a. Economic environment

b. Legal environment

c. Natural environment

d. Society

15. Observing what is surrounding you in your community, explain the changes that you have seen in regard to socio economic development

16. In your community, examine the major indicators of socioeconomic development

**17. EIA Case Study:**

The government of Rwanda through Rwanda Environment Management Authority (REMA) and EIA guidelines expects entrepreneurs to be cautious and careful with goods produced, the technology used, the materials used for the production and their probable impact on the human health and the environment. If the product/project does not meet the requirements of the standard it is not permitted for further production and the owner will have to change the technology and the structure of the product.

With the ever increasing rates of urbanization and population growth rates the economic activities if not well addressed are bound to impact negatively on the environmental attributes of the project areas and its surroundings. Kigali being the capital city of the country, it continues to have the most economic activities and population. With the above economic situation, the economy and the environment are bound to be affected negatively and positively and thus entrepreneurs intending to start any project have to prepare appropriate Environmental Impact Assessment reports showing most sustainable and cost effective way of mitigating any negative impact that may arise as a result of the implementation of the proposed project.

**Questions:**

Referring to the above case study, answer the following questions.

* + 1. What do the Environmental Impact Assessment guidelines expect entrepreneurs to be observant of?
		2. In what ways can the projects started in Kigali affect the economy positively?
		3. What are likely negative effects of the business activities or projects to the environment and Kigali community at large?
		4. What strategies would you propose to the entrepreneurs in Kigali to mitigate the likely challenges as a result of the projects started?
		5. Write a simple Environmental Impact Assessment report of the business idea you intend to start in your community.

**18. Case study**

Due to the different economic, political, social and environmental changes in today ‘s economy, there’s need for proper planning for any economic activity to be implemented. Entrepreneurs are expected to follow proper EIA guidelines so as to avoid environmental, human and economic risks.

Rwanda ‘s government through REMA ensures the protection and sustainable management of

environment and encourages optimal use of natural resources. Different stakeholders have different functions to perform in order to execute proper EIA procedures.

As a student of entrepreneurship, you have been approached by MUTESI Chantel who is planning to start a project of brick laying in her society. Advise her on the following.

1. What measures should she take to take to mitigate the likely environmental challenges caused by her project?
2. Why does she need to do EIA for her project?
3. Given the project you intend to start, write a project brief to be submitted to the authority?
4. What are the benefits of EIA process?

**Part A (Multiple choice questions) choose the most appropriate answers**

19. EIA is defined as (select one):

* 1. A process of identifying, predicting, and evaluating the likely impacts of a proposed project or development to define mitigation actions to reduce negative impacts and to provide positive contributions to the natural environment and well-being.
	2. A report written by government representatives on the planned development impacts of environment, socio-economic issues and culture.
	3. Project life-cycle assessment.

20. What is essential in an EIA? (Select all that apply):

1. That it allows decision makers to assess a project‘s impacts in all its phases
2. That it allows the public and other stakeholders to present their views and inputs on the planned development
3. That it contributes to and improve the project design, so that environmental as well as
4. socioeconomic measures are core parts of it

21. What is the purpose of the ―screening‖ step of EIA? (Select all that apply)

a. To assess the quality of the project design

b. To facilitate informed decision making by providing clear, well-structured, factual

analysis of the effects and consequences of proposed actions

c. To determine whether a full EIA is needed

22. Which type of project usually requires an EIA? (Select all that apply):

a. Small housing building

b. Dams and reservoirs

c. Industrial plants (large scale)

d. Community garden development

e. Irrigation, drainage, and flood control (large scale)

f. Mining and mineral development (including oil and gas)

g. Port and harbor development

h. Development of wells in the community

i. Reclamation, resettlement and new land development;

j. Thermal and hydropower development

k. Outdoor recreation

23. EIA is usually required for a development project when (select all that apply):

a. Large changes are expected in the environment

b. Limited impacts are expected in the environment

c. A small area is expected to be affected by the project

d. There are potentials for transboundary impact

e. Many people are likely to be affected by the project

f. No cumulative impacts are expected

g. There are protected areas in the project area of influence

24. What specific aspects does a good EIA report and review include? (Select all that apply)

a. Assessment, mitigation measures and related plans

b. A terms of reference (TOR)

c. A generalized set of assumptions about the project benefits described in highly technical

terms.

d. A satisfactory prediction of the adverse effects of proposed actions and their mitigation

using conventional and customized techniques.

e. Information that is helpful and relevant to decision making.

25. What kind of monitoring is referred to when we speak of monitoring a development project

(select all that apply?)

a. Monitoring indicators that measure the impacts on the environment and communities as a

result of the development project

b. Ensuring the fulfillment of all the commitments made in the approved EIA.

c. Keeping track of changes that may happen in the environment and communities because of

the project and other local and/or global changes, such as changes in livelihoods due to

economic crisis or migration, differences in water availability due to drought, etc.

1. Keeping track of the political context, to ensure that the project retains its licence.

**Part B (True/False questions)**

26. Frequency of monitoring will be determined by the nature of the project. True or false?

27. A good quality EIA might still lead to the planned development not being permitted to go

ahead based on the identified impacts. True or false?

28. The EIA Report is compiled by the designated government agency. True or false?

**Answers to this section should be precise and neatly**

29. Case study:

A reality T.V. Show: A mushroom garden (Impact Markets) Rwiyemeza is a prominent entrepreneur dealing in growing and processing Mushrooms in Kicukiro district. One day she was invited to give an interview on Rwanda Broadcasting Agency (RBA) about her business to the whole nation by Mr. Makuru. Read through the excerpts from the interview and answer questions that follow. Makuru: How did you decide to get into mushroom growing and processing? How did you start? Rwiyemeza: It was during the long senior six vacations after failing to get a job as I waited for my results. I basically got the idea after listening to the radio, reading newspapers, and watching TV about how different people have succeeded by starting own business activities. Coupled with my secondary school entrepreneurship competences, I decided to give it a try and started with very many ideas of business activities I can start. It was not an easy task deciding on one activity but after doing enough research from various people, I finally settled for Mushroom growing and processing. Makuru: What was the biggest challenge while starting your business activity? How did you overcome it? Rwiyemeza: There were so many challenges such as competition, unsure market, lack of experience but deciding on turning my business idea into a profitable business was most challenging. I had to make a lot of research from existing entrepreneurs, Sector offices, and financial institutions. I also had to do personal evaluation. Makuru: What are the benefits of your business to the community? Rwiyemeza: awash…..there are so many I can‘t exhaust them….but I will start with employment to me and my family which has improved our standards of living. I have 5 workers who earn a monthly salary, I pay taxes, my business help conserve 11 the environment. Most importantly, I have inspired a lot other young entrepreneurs especially women to start own business … Makuru: What advice would you give to the young people who may want to start business activities? Rwiyemeza: My advice will be that all around us are opportunities of business ideas but one has to be careful because NOT all ideas can become business opportunities and therefore turned into profitable businesses. Before I finally decided to start mushroom growing and processing, I had tried a number of business which failed because they were not viable. So, I again advise the young people that take time and study/research the business ideas before investing money because ―Not all business ideas are business opportunities‖.

 **Questions /10 Marks**

1. What do you understand by business from the case study?
2. From the case study, explain what you understand by a business idea. Mention any sources of business ideas for Rwiyemeza ‘s business activity.
3. From the case study, Rwiyemeza says it was not easy for her to start up the business activity. By explaining what you understand by a business opportunity, identify some challenges Rwiyemeza faced
4. Why do you think it is very important to do a research and personal evaluation before deciding to start a business activity?

e) Why do you think based on the case study that it is important to generate business ideas? Give the different types of resources that may be available in a

 given area

30. As a student of entrepreneurship, come up with ideas that may result into opportunities for you to start business activities to solve identified situations in your community below. / **10 Marks**

1. Lack of sufficient safe water in your community
2. High demand for charcoal as source of energy in your community
3. Increased pollution due to increased disposal of wastes in your community What are the different types of incomes

31. Think about people in your community who have started business activities. / **10 Marks**

1. Are they all been successful? Give reasons to support your response.
2. Why do entrepreneurs have to generate business ideas and opportunities?
3. What do you think should make a good business idea?
4. What do you think should make a good business opportunity?

32. Read the following statements and answer questions that follow: / **10 Marks**

Nkusi wants to lend his car to Niragire for 5000Frw per day for five days

Niragire agrees with a handshake to borrow the car from Nkusi and pay the money in witness of Rukundo.

Kabera promises to take his girlfriend Bagirishya for an outing to Lake Kivu

Mutegwaraba promises to pay 10.000Frw to whoever finds her lost phone

Kato puts on paper his commitment to provide printing services to Umutoni on agreed terms

Mutesi promises to pay for her brother ‘s school fees and puts it in writing

Questions: Which of the above statements are? / **5 Marks**

1. Contracts
2. Not contracts
3. Business contracts
4. Verbal contracts
5. Written contracts

33. a. What is the role of EBM in Economic Development of Rwanda? **5 Marks**

1. Describe any four principles of tax/ **5 Marks**
2. How tax is used by government to:
* Support Entrepreneurs/: **2.5 Marks**
* Support the community: /2.**5 Marks**

34. Calculate the tax liability to be paid by a resident individual whose annual income is 45,000,000Frw. The employee is provided with furnished accommodation and a fueled car for the private use. The employee has two children attending school. The employer provides an education allowance of 7,200,000Frw per a year, paid on a monthly basis. **/5 Marks**

35. Choose the best answer for the following statements

Having no research questions or poorly formulated research questions will lead you to poor research findings because: **5 Marks**

1. You will only consider epistemological queries
2. Marks are allocated for having a research question and without them my project will be penalized.
3. You won ‘t know what data analysis method used.
4. Your research is likely to be unfocused and you are likely to be unsure what data to collect.

36. What is data collection? / **10 Marks**

1. The presentation of findings to the relevant authorities for action. The researcher should ensure that he presents empirical data and not estimates or hypothetical figures to those who are supposed to take the action.
2. This is the research used to describe variables; to examine relationships among variables; to determine cause-and-effect interactions between variables.
3. Gathering the information which will help you address your research question
4. This relates to finding out what happens as a result of an action Field experiment relates to finding out what happens as a result of an action
5. This is the use of original information from the field. The researcher gathers information directly from the target groups. It involves the collection and use of data that does not already exist. It is the collection and use of original data.
6. All answers are correct

E

D

C

B

37. a. Give the differences between Selling and Marketing **/ 10 Marks**

b. What are the functions of Marketing? **/ 10 Marks**

38.(a) What is the role of EBM in Economic Development of Rwanda?

(b) Describe any four principles of tax

**39.** Calculate the tax liability to be paid by a resident individual whose annual income is 45,000,000Frw. The employee is provided with furnished accommodation and a fueled car for the private use. The employee has two children attending school. The employer provides

an education allowance of 7,200,000Frw per a year, paid on a monthly basis.

**40. Fill in the gap the following:**

a. …………. punishment is the jail for a period between six (6) months and two (2) years; even the Minister’s order determines an award given to any person who denounces a taxpayer who engages in that act.

b. …………. is the compulsory and non-refundable payment made by the business to the Government or Local Authority so as to raise their revenues.

c…………. is the one that is exempted from VAT.

d. …………. one of the taxes vested to the local government (Districts).

e. The degree to which the taxpayers meet their tax obligations as set out in the appropriate legal and regulatory provisions s……………………….

41.  **Choose the best answer for the following statements**

1. Having no research questions or poorly formulated research questions will lead you to poor research findings because:

a. You will only consider epistemological queries

b. Marks are allocated for having a research question and without them

my project will be penalized.

c. You won’t know what data analysis method used.

d. Your research is likely to be unfocused and you are likely to be unsure what data to collect.

ii. What is data collection?

a. Collecting the research question and objectives together

b. Gathering the information (data) which will help you address your research question

c. Reviewing the literature review

d. Outlining how you will gather the information for your research question.

42.  **Assume your business is attaining the following, fill in the blanks below:**

a. Increase in production, profitability and size. This is ………………………………………….

b. A prolonged period of little or no growth for companies. This is ………………………………………...

43. Assume that you have a mini-supermarket selling fresh milk, juices, bread and cakes in Kicukiro District;

a. How would you know that your business is growing?

b. How would you know that your business is declining?

c. What can you do to minimize such decline?

**44. Read the text below and answer the question that follow**

It is very difficult to imagine how business could operate during this time without the use of the internet. The development of the internet has significantly altered the day to day operations of a business; including how they communicate with each other and their audience. Information can be easily transmitted to any destination in a matter of seconds.

The internet has become an essential tool for marketing and advertising. A business can present itself to customers with the use of a website or online advertisements. Many businesses now use the internet as a means of making customers aware of their current promotions. This can be very beneficial to businesses that are targeting a younger audience. Creating the right image is very important to any business wishing to be a success. The internet can aid a business in achieving the perfect image. By having an effective website, they can create the perfect web existence. Many businesses now also use social networking as a means of making themselves known to their target audience. Communication and interaction with customers is vital to any business. The internet has ensured that this can be easily achieved. Businesses are able to communicate and interact with customers via email or instant messaging. Internet telephony such as Skype is now a popular method of communication and is used frequently by businesses in order to conduct virtual meetings with both customers and other businesses. The use of the internet also makes it easier for businesses to deliver messages to people working within the organization.

The internet has simplified the way in which businesses collects and records information. They are able to conduct effective research by searching on the web or by using online databases. An electronic record can then be made from the information gathered. Important information such as the state of the stock exchange can also be obtained.

In addition, businesses that have an international presence are able to use the internet to conduct operations and communicate with people in offices that are based in different locations around the world. Transactions and payments can now also be made online which has simplified and sped up the payment process.

**Question.**

1. Discuss several ways how internet plays a vital role in today’s publicity of the company’s products.
2. Visit a nearby financial department such as a school accountant (Bursar) office, a bank, school canteen, or a shop near school. Observe how this department uses ICT equipment or tools. Explain the importance of using ICT in financial management.

**45. Pick up the Most Appropriate**

i. The prime function of bookkeeping is to:

a. Record economic transactions

b. Provide information for action.

c. Classifying and recording business transactions

d. Attain non-economic goals.

ii. The following is the original form of accounting:

(a) Financial Accounting; (b) Cost Accounting

(b) Management Accounting; (d) Inflation Accounting

**46. The following information relates to the business of Uwimana traders for the month of** September 2019

1st Sept commenced a business with 120,000Frw half in the bank and half in cash

2nd Sept bought land by cheque100,000 Frw

4th Sept Bought goods for cash 60,000Frw

6th Sept Bought furniture and paid a cheque of 40,000Frw

7th Sept Sold some of the goods for cash 110,000Frw

8th Sept Bought a mortal van from Nissan Rwanda and was issued with an invoice 90,000Frw

13th Sept Bought goods from Okello on credit for 130,000Frw

16th Sept Sales by cheque90,000Frw

17th Sept He returned some goods to Okello30,000Frw

21st Sept Drawing in cash 50,000Frw

23rd Sept Paid Nissan Rwanda a cheque for their debt

25th Sept Sold goods on credit to Jackie 120,000Frw

25th Sept Jackie returned some goods 40,000Frw

27th Sept Paid Okello the balance in cash

29th Sept Sold goods for cash 80,000Frw

30th Sept Jackie settled her debt in full using a cheque.

**Question:**

1. Open the ledger accounts to record the above transaction.

2. Balance off the accounts

3. Extract a trial balance as at 30th September 2012.

47. State the different types of taxes and give 2 examples for each

 

48. from the graph, the best price is in Rwf, it is the best price because How will the suppliers respond when the price goes beyond 800 Rwf

From the graph, state the law of

1. demand
2. supply
3. Rwabyoma earns annual salary of 1,800,000rwf (salary for the year), estimate the tax she pays per month to Rwanda Revenue Authority (RRA).
4. Give the difference between tax avoidance and tax evasion

49. list at least 3 trading blocs in which Rwanda is a member and give at least two more countries that are also members in that trading bloc

**50.** Kanimbla borrowed 18,000Frw from microfinance at 2 % per month with the option that interest unpaid would be added to principal to obtain the new amount for every successive month. How much would he pay after 6 month if he pays the entire amount once?

**51.** Mukamira enterprise borrowed 2,000,000frw from a bank and was required to return 2,400,000Frw. Given that interest earned in the first year was 245,000Frw and the interest at the end of each period was added on to principal, find

(a) The interest rate

(b) The compound time it would take to obtain the amount

**52. (a) Distinguish between the following terms:**

 (i) Simple interest and compound interest

 (ii) Real interest and nominal interest

 (b) Airtel Tigo company Limited deposited 980,000Frw with the bank for two years. The bank offers 8% interest per annum and also allows the interest to be added to the principal amount so that it earns more interest

(i) Find the accrued interest after two years

(ii) What is the principal amount after two years

