**CAMEROON GENERAL CERTIFICATE OF EDUCATION BOARD**

Technical and Vocational Education Examination

**7055 Entrepreneurship 2**

**JUNE XXXX ADVANCED LEVEL**

|  |  |
| --- | --- |
| Specialty Name (Specialty Code) |  |
| Subject Title | **Entrepreneurship** |
| Paper No. | **2** |
| Subject Code No. | **7055** |

**Three hours**

**INSTRUCTIONS TO CANDIDATES**

***You are required to answer any four questions out of the Six.***

***All questions carry equal marks***

***In all cases involving calculations, show all the steps in your working***

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

***You are advised to read carefully through the question paper, before you begin your answers.***

***Non programmable calculators are allowed.***

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ***Turn Over***

XXXX/7055/2/C

***© 2019 CGCEB***

1. In a village called Kedjom, a young man called Kirikou who studied entrepreneurship carried out an environmental study and discovered that there are a lot of opportunities that the inhabitants can exploit as far as business is concern. In his conversation with one of the notables regarding these opportunities, he became interested in investing in a bakery business, but needed to be clarified on the issues below:

(a) State five roles of kirikou in Kedjom as an entrepreneur . **(5 marks)**

(b) Identify five characteristics kirikou needs to possess as an entrepreneur. **(10 marks)**

(c) Explain five reasons why the bakery might fail. **(10 marks)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. In 2008, a report showed that the unemployment rate in Cameroon was high. As such, youths have decided to engage themselves in small scale businesses, giving way to intensive competition, which now makes it challenging to emerge as a small business.

(a) Give five reasons why a business man should prepare a business plan. **(5 Marks )**

(b) Examine five functions of a human resource manager in a business. **(10 Marks)**

(c) Briefly explain the stages involved in writing a business plan.  **(10 Marks)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3. Mme Susan has a good business proposal for a restaurant business to be opened in Molyko. This project requires an investment of 7,500,000 FRS. To raise this money, she got 2,000,000Frs CFA at 5% per annum from her Njangi, repayable in two years. 4,000,000 FRS from a money lender at 10% per annum repayable in 3 years.

The bank could have given her the total amount needed to open the business at 2% per year if she had a business

Plan.

(a) Calculate the amount of money repayable to the Njangi after two years, and to the money lender after three years. **(10 Marks)**

(b) How much money did she personally contribute to the business? **(5 Marks)**

(c) Explain the purpose of a business plan to Mme Susan **(10 Marks)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4. Zico has saved money during the past 15 years. He currently has 26,000,000Frs in savings. He just left his job with a Winter Transport company and plans to open a restaurant in Bambili. He can’t decide the form of legal entity for his restaurant, but will like to be liable for the debts only to the amount of his investment. He wants to bring in some investors to open a second restaurant in Buea, if the first succeeds. Thus he needs a business plan that successfully solilicits the interest of potential investors. **(25 marks)**

(a) Advise Zico on the form of business organization that might make the most sense for his new firm 191.

(b) What are the most important issues to be covered by Zico during the oral presentation of the business plan 221?

(c) Identify three sources of personal financing for zico 232.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5. Six months ago Abi retired as an engineer with Soger Satom, and used his retirement savings to open a wine shop in Kumba. Abi had never been in wine business before, but likes the business. So far the business is not doing well because no feasibility study was done. Abi recently went to BICEC bank to get a loan for the business and was surprised when the bank manager told him to present a business plan and to get professional advice from consultants.

(a) Explain why a new venture firm should use consultants for advise 139.

(b) Explain to Abi what feasibility analysis is and why it is important 52.

(c) Explain to Abi how the process of writing a business plan can be as important as the plan itself 209.

**(25 Marks)**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6. Akum and Obi came up with a business idea to sell frozen pork labelled “A&O Pork” to households in Bakassi. This business requires a startup capital of 1,500,000 FRS. The centre for support for creation of small and medium size enterprise has promised to give them an interest free loan of 500,000frs, repayable in three years if they present a business plan. Akum and Obi will then contribute 60% and 40% respectively to make up the capital.

The presentation of the business was a success and they got the support, after one year of business. They made a profit of 225,000 FRS and decided to plough back this profit into the business.

(a) Give a name to this form of business and give 3 advantages and 3 disadvantages. **(8 Marks)**

(b) Calculate: - the amount contributed by each person and the capital after one year of business.**(10 Marks)**

(c) Examine the area of intellectual property rights that Akum and Obi need to protect their new venture.

**(7 Marks)**