NESA

ENTREPRENEURSHIP II

019

16/ 07/ 2026 2:00 PM – 5:00 PM

Names: ....

Index number: ....

COMBINATIONS:

- ALL SCIENCE COMBINATIONS
- ALL HUMANITIES COMBINATIONS
- ALL LANGUAGES COMBINATIONS

DURATION: 3 HOURS

S6 QUESTIONS and ANSWERS BOOKLET

ADVANCED LEVEL NATIONAL EXAMINATIONS, 2025-2026

Instructions to candidates:

1) Write your names and index number on the answer booklet as written on your registration form and **DO NOT** write your names and index number on additional answer sheets if provided.
2) Do not open this question paper until you are told to do so.
3) This paper consists of **THREE** sections: **A, B,** and **C.**

   Section A: Attempt **ALL** questions. (40 marks)

   Section B: Attempt any **THREE** questions. (30 marks)

   Section C: Attempt any **TWO** questions. (30 marks)
4) Calculators can be used where necessary.
5) Show clearly all the working. **No marks will be given for answers which do not have all working steps.**
6) Use only a **blue** or **black** pen
7) For all multiple choice questions, circle a letter corresponding to the correct answer.

FOR MARKER'S USE ONLY

Questions	Marks	Questions	Marks
1		16	
2		17	
3		18	
4		19	
5		20	
6		21	
7		22	
8		23	
9		24	
10		25	
11		26	
12		27	
13		28	
14		29	
15		30	

TOTAL MARKS........./100

SECTION A: ALL QUESTIONS ARE COMPULSORY (40 MARKS)

1) Use **True** to confirm or **False** to disapprove each of the following statements: **(2 marks)**

i) Opportunity evaluation is the stage where entrepreneurial resources such as capital and personnel are acquired. ____________

ii) A business culture that avoids risk and experimentation is most likely to promote creativity. ___________

iii) Entrepreneurs with more experience tend to produce fewer original ideas because they are too familiar with routine tasks. _________

iv) Innovation is the creation of something that has never existed before. _________

2) Use the knowledge you acquired in SWOT (Strength, Weakness, Opportunities and Threat) analysis to complete the table below with correct factors and correct SWOT category.

(2 marks)

Factor	**SWOT category**
Strong brand reputation	--
-- --	Weakness
New emerging market in neighboring countries.	--
Economic recession leading to reduced consumer spending.	--

3) Read the meaning of the elements of market survey, and complete the table below by filling in the appropriate element of the market survey from the list provided: (**product survey, customer survey, supplier survey, competitor survey**).

(3 marks)

Element of market survey	**Aim of the element**
--	To collect data directly from people who buy or might buy a business' products in order to understand how they feel about their experiences and expectations.

--	To gather structured input about specific goods or services to evaluate their performance features, and appeal to the target audience before wider production or release.
--	To assemble insights about organizations providing similar offerings in the same market, and how they position themselves.

4) Fill-in-the gaps with the most suitable answer from the options provided.

(3 marks)

i) Sole proprietors have ....for the debts of their businesses.

A) No liability
B) Limited liability
C) Unlimited liability
D) Shared liability

ii) A ....is a form of business ownership that is considered to be separate from its owners, who are known as shareholders.

A) Sole proprietorship
B) Limited partnership
C) General partnership
D) Joint stock company

iii) ....advises potential investors on the available business opportunities and areas of profitable investment in Rwanda.

A) Rwanda Utility Regulatory Agency
B) Rwanda Development Board
C) Rwanda Revenue Authority
D) Rwanda Energy Group

5) Match each managerial function in Column A with the correct description in Column B.

(5 marks)

Column A: managerial functions	**Column B: Description**
i) Planning	a) Moving employees to act with motivation, leadership, and supervision.
ii) Organising	b) Setting goals and deciding how to achieve them for business success.
iii) Directing	c) Inspiring and encouraging workers through communication and incentives.
iv) Motivating	d) Bringing workers and departments together so they work in harmony.
v) Coordinating	e) Ensuring work is organised into smaller tasks and roles are clearly defined.

6) Read the statements below related to the importance of standard products to the consumers and state whether they are **TRUE** or **FALSE.** **(2 marks)**

i) Standards ensure that products and services are safe for consumers to use. ____________

ii) Standards limit consumers' access to products by restricting the range of available choices. ____________

iii) Adhering to standards ensures that consumers receive value for money and quality products. ____________

iv) Consumer protection standards only apply to physical goods and not to services. ____________

7) Which four of the following statements correctly describe ways to become an effective salesperson? **(2 marks)**

A) Adapt sales approach to match the customer's needs and situation.

B) Rely only on new strategies and ignore traditional selling methods.

C) Be honest and build trust with potential buyer.

D) Communicate and listen anyhow to customers.

E) Prepare ahead by researching customer before meetings.

F) Be confident in business product and ability to sell it.

G) Focus only on speaking without listening to customer's needs.

H) Avoid risk and stick to familiar methods because new approaches are always risky and ineffective.

8) Kalisa wants to start a poultry business in Rwanda. He receives a loan from a financial institution but lacks risk protection. Complete the table below by indicating the appropriate financial instruction or solution that Kalisa should apply to address each problem or challenge encountered.

(3 marks)

Problem	**Appropriate financial instruction or solution to apply**
Lack of startup funds	....
Risk of fire destroying poultry house	....
Poor financial management skills	....

9) If you want to buy a T-shirt at FRW 20,000 and the seller allows you 5% and 10% trade and cash discounts respectively, how much will you pay? **(2 marks)**

A) FRW 17,000
B) FRW 18,100
C) FRW 19,000
D) FRW 35,100

) Which of the following statements best describes an advantage of the perpetual inventory system?

(2 marks)

\) It removes the need for any physical stock verification at all times.
3) It provides real-time updates of inventory levels as sales and purchases occur.
) It eliminates all inventory costs and guarantees no loss from theft or damage.
) It requires physical stock-taking to calculate inventory balances monthly.

/hich of the following is NOT a factor that has positively influenced socio-
onomic development in Rwanda?

(2 marks)

Provision of community-based health insurance covering most citizens.
ree primary and secondary education with proactive school enrollment llow-up.
mited internet access and lack of national connectivity infrastructure.
pansion of tarmac roads connecting all districts.

12) Match ICT tools with their descriptions in the table below: **(3 marks)**

ICT Tool	Description
i) ATM	a) Machine used for processing sales transactions
ii) CCTV Camera	b) Machine used for withdrawing and depositing money
iii) POS terminal	c) Device used for monitoring and security

13) What is metrology in business? **(2 marks)**

A) The study of marketing strategies
B) The science of measurement
C) The process of advertising products
D) The management of employees

14) Match the emergency management phase with its correct description. **(2 marks)**

Emergency management phase	Description
i) Prevention	a) Actions taken immediately before, during, and right after an emergency to save lives and reduce damage.
ii) Mitigation	b) Activities that increase readiness to handle an emergency through planning, training, and resourcing.
iii) Preparedness	c) Actions that restore systems and return conditions to normal after an emergency.
iv) Response	d) Efforts to reduce the chance or severity of an emergency or its effects.
	e) Measures taken to stop an event from occurring in the first place.

15) For each account given below, indicate using a tick (V) whether it should be reported in the statement of financial performance (income statement) or statement of financial position (balance sheet). **(2 marks)**

Account name	Statement of Financial Performance(Income statement)	Statement of Financial position(Balance sheet)
Cash		
Accounts receivable		
Sales revenue		
Accounts payable		

16) Read the statements in the table below and indicate whether they are **True** or **False**. **(3 marks)**

Statement	**True** or **False**
a) Corporate income tax is an example of a direct tax in Rwanda.	
b) Value Added Tax (VAT) is an indirect tax paid by the final consumer.	
c) Rental income tax is charged on income from investments made by individuals in Rwanda.	
d) Withholding tax is not deducted at the source before the tax is paid to the government.	
e) Excise duty is an indirect tax applied to specific goods like locally produces soft drinks.	
f) VAT registered taxpayers in Rwanda are exempt from issuing EBM receipts.	

SECTION B: CHOOSE ANY THREE QUESTIONS (30 MARKS)

17) Explain any five techniques you can use to pitch your business plan to the investors. **(10 marks)**

18) Grace, a 30 years old registered furniture dealer, agrees in writing to supply John, a 35 years old secondary school head teacher, with 50 wooden desks for his private school at FRW 150,000 each. John pays FRW 3,000,000, and the balance is to be paid upon delivery within 30 days. Grace begins production immediately.

Required: Evaluate whether there is a valid and legally binding contract between Grace and John or not, give reasons based on the essential elements of a valid contract. **(10 marks)**

19) Healthy hygiene and sanitation are very important for every workplace. With valid examples, explain any 5 healthy hygiene and sanitation practices that can be practiced at the workplace. **(10 marks)**

20) John decided to start a business offering mobile banking, mobile money services, printing, scanning, photography, and Irembo services. He committed to acquiring modern office equipment to ensure efficient service delivery. Identify the factors John should consider when choosing the most suitable equipment. **(10 marks)**

SECTION C. CHOOSE ANY TWO QUESTIONS (30 MARKS)

21) A Business Model Canvas (BMC) is a presentable tool used to pitch a business idea to investors. Explain any 5 components of Business Model Canvas. **(15 marks)**

22) The following balances were extracted from books of Audrey Company Ltd as on 31st December, 2025.

Account	Balance (FRW)
Capital	17,760,000
Purchases	14,000,000
Stock 01-Jan 2025	3,100,000
Furniture	6,000,000
Debtors	2,100,000
Bank overdraft	1,500,000
Motor vehicles	10,400,000
Cash at hand	500,000
Return outward	300,000
Distribution expenses	800,000
Sales	19,000,000
Creditors	1,700,000
Salaries	2,800,000
Commission received	480,000
General expenses	1,040,000

Required: Prepare the trial balance for Audrey Company Ltd for the year ended 31st December 2025. **(15 marks)**

23) a) A student saves money to buy a laptop and deposits FRW 150,000 in a savings account that pays 4% interest per year compounded annually.

Required:

i) Calculate the total amount on the account after 3 years. **(5 marks)**

ii) Find the compound interest earned after 3 years. **(2 marks)**

b) Tech Enterprise Ltd is considering investing in a new machine that costs FRW 150,000. The expected net cash inflows from the machine over the next four years are as below:

Year	Cash inflows (FRW)
1	30,000
2	40,000
3	50,000
4	60,000

Required:

i) Calculate the payback period for this investment. **(5 marks)**

ii) Explain whether the investment should or should not be accepted if the company's target period is 3 years and advise accordingly. **(3 marks)**

Space where in to answer Three (3) chosen questions from Section B