

ENTREPRENEURSHIP EXERCISES

Q 1 Analyze the example below and answer questions that following questions

Nkusi and Mukarutesi are capable adults. Nkusi is in the need for a new car. it is on a budget, so he scans the classified ads and finds Mukarutesi, who is selling an old Toyota Carina for 2,000,000Frw. Nkusi calls Mukarutesi and offers 1,800,000Frw. Mukarutesi accepts Nkusi's offer and they decide to meet. At the meeting, Nkusi hands over 1,800,000Frw and Mukarutesi hands over the keys for the Toyota Carina.

Questions:

- a) Which form of business contract would you advise Nkusi to sign with Mukarutesi?/ 1 mark
  
- b) What do you think may lead to the contract in the example above to be terminated?/ 3 marks

Q2 Explain 5 factors influencing the choice of a business

Q3.a) Explain 6 essentials to a valid contract

- b) Identify any 4 importance of contracts in business operations

Q4) The following figures relate to monthly salaries of Tubiteho company employees for 2019

- a) Director Kagara John earns 350,000 Frw
- b) Accountant Mubiligi James earns 150,000 Frw
- c) Security Semasaka Damien earns 30,001 Frw
- d) Secretary Mukamana Joana earns 77,000 Frw
- e) Casual labourer Kankindi Anitha earns 150,000 Frw

Calculate the total PAYE for the above employees that Tubiteho company pays to RRA every month.

Q5.Analyze the following statements and answer questions that follows.

- i. You order a meal at a restaurant.
- ii. Lost wallet, brown with One hundred thousand Rwandan francs in it. Return to owner and receive a 10.000Frw reward.

Questions:

- a. Which of the above statements is a contract? Support your response.
- b. Concerning contracts, what is the difference between the two statements?
- c. What do you think is the difference between:
  - i. Unilateral and bilateral contracts?



- s. □□□□□□□□□□ Establishes the scope of duties to be performed by the agency, duration, payment, etc
- t. □□□□□□□□. An agreement to transfer risk from one party to another.
- u. □□□□□□□□. One party claiming damages agrees not to sue the responsible party.
- v. □□□□□□□□. Agreement between two parties to end a lawsuit in exchange for certain concessions (usually cash paid to the plaintiff).
- w. □□□□ Typically refers to a release from liability (which are common for businesses where customers assume a reasonable risk of some sort).
- x. □□□□□□□□. A legal transfer of the benefits and obligations of a contract from one party to another.
- y. □□□□□□□□□□. Contractual agreement to sell a certain amount of stock to a named individual (often used for stock options at private companies).
- z. □□□□□□□□□□ Official agreement among two or partners, including responsibilities of each.
  - aa. □□□□□□□□□□. Lays out the obligations, goals, and financial contributions of all parties involved in a joint venture.
  - bb. □□□□□□□□□□. Documents the terms of a business sale.

Q7. a. RDB is one of the institutions that owns many vehicles. The number of operational vehicles is estimated at 100 in Kigali city. The management has decided to settle vehicles related expenses on a monthly basis to facilitate the work of its workers. Required: Calculate the amount of parking fees to be paid by RDB for its vehicles operating in Kigali City considering that all operational vehicles are in the category of □Small vehicles and motorcycles□.

b. Matunda owns two Coasters capable of transporting 36 passengers each. They operate between Kigali and Kayonza, taking passengers from Remera main taxi park and Kayonza modern taxi park. In Gasabo fees in public parking are fixed at Frw 3,000 while in Kayonza fees are fixed at Frw 2,000 per day for this category of buses. Required: Calculate total public parking fees to be paid by Matunda on daily basis.

Q8. Read the following case study about Mugabe and answer the questions below; Mugabe is a businessman in Kazi village. After recognizing increase in price of one of his preferred commodities □ibirayi bya Kinigi□; he decided to carry out a research to help him answer some questions like: □ What are the causes of price increase for □Ibirayi bya Kinigi□? □ How do you think will that research impact his business? While conducting a research, data was collected from MINICOM□s report showing the figures, observations, opinions and descriptions on the reasons for the increase in prices of □Ibirayi bya Kinigi□. Also, MUGABE collected some other data from different respondents (cultivators in Kinigi, Musanze District) using interviews and questionnaires.

- a. Describe the different types of research used by MUGABE.
- b. What was the purpose of using the different types of research you identified in the above question?



