

**CCMBP402 - BUSINESS PLAN
DEVELOPMENT**

DATE: 16 JUNE 2025, 2:00-5:00pm

PERIOD: 3 - 3



END OF TERM III EXAMINATIONS

SCHOOL YEAR: 2024/2025

QUESTION PAPER

SECTOR: ALL

RQF LEVEL: L4

TRADE: ALL

MARKS:

DURATION: 3 HOURS

INSTRUCTIONS TO CANDIDATES:

This Exam paper is composed of Twenty (20) questions distributed in Three Sections (A, B, C). Follow the instructions given below, and answer the indicated questions in each section for a total of 100marks

Section **A**: Answer all questions are **Compulsory**. **40 marks**

Section **B**: Answer any three questions **30 marks**

Section **C**: Answer any two questions **30 marks**

Allowed Materials: Blue pen, Ruler, Calculator, Pencil, (Fitting with the exam paper)

SECTION A: ATTEMPT ALL QUESTIONS (40 Marks)

1. What do we call a document that outlines a specific project, including its objectives, required resources, timelines, and expected outcomes? **(2 marks)**

- a) A project
- b) A business plan
- c) A contingency plan
- d) A project plan

2. Which of the following is an element of a production plan? **(2 marks)**

- a) Quality
- b) Competing technologies
- c) Promotion
- d) Name of the business
- e) Competition analysis

3. What term describes a structured approach for identifying and evaluating potential risks that could impact a project or organization? **(3 marks)**

- a) Risk assessment
- b) Risk management
- c) Risk evaluating
- d) Risk estimation
- e) Risk control

4. State whether the following statements are **TRUE or FALSE**. **(5 marks)**

- a) The trading account is used to determine the net profit of a business for a specific period.
- b) Net profit is calculated by subtracting cost of goods sold from sales revenue.
- c) The income statement shows a company's revenues and expenses over a specific time period.
- d) Net sales are derived after deducting returns inwards and discounts from gross sales.
- e) Total cost is obtained by subtracting variable cost from fixed cost.

9. What is the main purpose of a business plan presentation? (2 marks)

- a) To assess financial and operational needs
- b) To communicate the business idea to stakeholders
- c) To attract customers by highlighting competitive advantage
- d) To improve chances of securing funding
- e) All the above

10. Business plan presentations are used to communicate a business idea to investors. Based on the steps in preparing such a presentation, develop a sample business plan presentation for a lender or bank. (5 marks)

11. Indicate whether the following statements are TRUE or FALSE. (5 marks)

- a) Operational risk arises from internal systems, people, or processes.
- b) External risks are those that threaten financial goals from outside the business.
- c) Contingency plans are backup plans activated during unexpected disruptions.
- d) Some industries are legally required to have contingency plans.
- e) SWOT analysis can assist in assessing business risks.

12. Which of the following factors should *not* be included in a PESTEL analysis? (2 marks)

- a) Government recycling policy
- b) Proposed reduction in interest rates
- c) Competitor activities
- d) Demographic changes

SECTION B: ATTEMPT ANY THREE (3) QUESTIONS (30 Marks)

13. Based on the following financial data for Rwema's business for the year ending 30th June 2017, calculate and select the correct Net Profit for the period. (10 marks)

- Opening Stock (1 June 2017): 1,000,000 Frw
- Closing Stock (31 May 2017): 1,200,000 Frw
- Capital: 850,000 Frw
- Loan from Karasira: 100,000 Frw
- Sales Revenue: 7,000,000 Frw
- Purchases: 5,000,000 Frw
- Wages and Salaries: 500,000 Frw
- Rent Paid: 360,000 Frw
- Rent Received: 1,200,000 Frw

Choose the correct option for Net Profit:

- a) 140,000 Frw

- b) 2,000,000 Frw
- c) 2,200,000 Frw
- d) 2,540,000 Frw
- e) 3,400,000 Frw

14. Read the case of MINANI and answer the SWOT-based analysis questions below by stating **TRUE or FALSE**. **(10 marks)**

MINANI operates a supermarket in Kigali. He uses modern equipment, sells quality products, and offers excellent customer service. Despite a large customer base and the use of better technology, he lacks support staff, has taken a loan with high interest, faces stiff competition, and lacks financial management skills.

State whether each of the following statements is **TRUE or FALSE**:

- a) Using better technology in the industry is MINANI's strength.....
- b) Having many competitors is his weakness.....
- c) Providing good customer service is his opportunity.....
- d) Selling quality products is his strength.....
- e) Having a bank loan is his weakness.....
- f) Poor financial management is his threat.....
- g) High interest on the loan is his threat.....
- h) Lack of support staff is his weakness.....
- i) A large number of customers is his strength.....
- j) Having modern equipment is his opportunity.....

15. Evaluate the viability of Projects A, B, C, and D using the Payback Period method. If the target payback period is 3 years, determine which projects should be accepted or rejected, and explain why. **(10 marks)**

Project	Initial Cost	Year 1 Cash Flow
A	40,000 Frw	10,000 Frw
B	250,000 Frw	40,000 Frw
C	75,000 Frw	20,000 Frw
D	100,000 Frw	40,000 Frw

16. Amanda is preparing a business plan for a grocery store in Kigali. Her cash flow forecast shows the business might run out of cash after the first five months. She has proposed the following strategies to manage the situation:

- Increase sales

← • ~~Negotiate an extension on the loan period~~ →

- Reduce customer credit
- Negotiate supplier credit
- Use a bank overdraft
- Sell an investment asset
- Reduce operational costs
- Seek financial support from friends/family
- Identify a cheaper supplier
- Use inventory management software to avoid overstocking

Categorize each measure under either "Increasing Cash Inflows" or "Decreasing Cash Outflows."
(10 marks)

Measures to Increase Inflows	Measures to Decrease Outflows

17. Compare the components of a production plan with those of a financial plan by listing and explaining five (5) key elements for each. **(10 marks)**

SECTION C: ATTEMPT ANY TWO (2) QUESTIONS (30 Marks)

18. Kansime wants to open a restaurant in your community but is unsure how to write a business plan. She meets Alice, a Level 4 student in Fashion and Design, who has only learned how to write a cover page. Suppose you are Alice – prepare a suitable cover page for Kansime’s restaurant business plan.
(15 marks)

19. On 31st December 2024, GOOD LIFE Company Ltd recorded the following transactions:

- Motor vehicle: 1,500,000 Frw
- Purchases on credit from Samuela: 800,000 Frw
- Sales on credit to Nziza: 600,000 Frw
- Bank loan: 1,000,000 Frw
- Bank overdraft: 300,000 Frw
- Cash on hand: 200,000 Frw
- Bank balance: 300,000 Frw
- Closing stock: 500,000 Frw

Choose the correct option for each of the following calculations:

