

## **PENTREPRENEURSHIP EDUCATION**

It is a subject of study which equips learners with knowledge and skills of identifying or spotting business opportunities , starting them and managing it successfully.

An entrepreneur is a person with the ability to spot business opportunities , start them and manage them successfully.

Entrepreneurship is the skill or the ability to spot business opportunities from the surrounding environment, start it, .....azzer the necessary resources and manage it successfully.

### **Reasons why we study entrepreneurship**

1. To provide students with knowledge and skills that will enable them to start up business or projects and manage them successfully.
2. To enable learners to work toward job creation and reduce white colour mentality hence reduce unemployment.
3. To enable learners to develop positive attitudes , cultures towards the work (all types of work and business)
4. To encourage creativity and self sustenance amongst the learners.
5. To enable learners make use of the available recourses in the country more effectively and appropriately .
6. To instil into the students self confidence and self awareness to enable them know their needs , analyse and get their rules in life.
7. To eradicate / eliminate poverty , ignorance and disease through innovation , production and provision of goods and services.
8. To provide entrepreneurial and business management skills to enable students to became successfully, entrepreneurs

9. To provide background knowledge and skills that will help the learners at higher level of studying in the same fields.

Revision questions.

1. Define the following.

**A Entrepreneurship education**

It is the study of business start it and manage it successfully.

**B Entrepreneur**

Is a person with the ability to spot business opportunities.

**C Entrepreneurship.**

It is the skill or the ability to spot business opportunities.

2 Give reasons why entrepreneurship education is taught in secondary schools.

1) To provide students with knowledge and skills that enable them to start business, manage it successfully.

2) To enable learners to work towards job creation and reduce white color mentality hence reduce unemployment

9/03/11

Personal Entrepreneurial Characteristics [ PEC]

These are the designed quantities that enable an entrepreneur to do what is expected of him/her and succeeded with successful entrepreneurial.

This characteristic are categorized into three clusters , namely;

Planning cluster

Achievement

Power cluster

**A. Planning cluster;** This include the characteristics.

1. **Goal setting;** This is the ability of an entrepreneurial to settle clear goal and objectives showing the propose of the business. The goals and objectives must be challenging and smart [specific measurable, achievable/attainable, realistic, time bound]
2. **Information seeking;** This is having the urge to look for the required information in order to make informed decision Eg. About selecting, starting, and successfully managing the desired business.
3. **Systematic planning and monitoring;** This is the ability to develop plans that will be used the monitoring and evaluating the progress or performance of the business.

**B. Achievement cluster;** This includes the following characteristics.

- 1- **Opportunity seeking;** This refers to the quality that enable an entrepreneurial to see an act or new business opportunities even in situations where another people see nothing but problems.
- 2- **Commitment to work;** This is the ability to accept final responsibility for completing the job for customers. The entrepreneur may even join the workers and work with them to make sure of that the contractual commitments are fulfilled.

- 3- Determination; This is the ability of an entrepreneurial to be persistence and determine to have a thorough job at any cost in terms of personal sacrifice. Therefore an entrepreneurial remains working towards achieving his/her set goal even if they are some problem.
- 4- Demand for efficiency and quality; This is the ability to do things or activities that meet existing standard of excellence or improve the performance by doing things faster, better, and cheaply.
- 5- Risk Taking; Entrepreneurial are risk takers. Before any Entrepreneurial starts business he/her has to assess the risk associated with the selected business opportunities such that he is able to undertake moderate and manageable risks. There are for entrepreneurial should have the skills of risk assessment.

C. Power cluster; this includes the ff characteristics

1. Persuasion and net working; this is the ability to link, convince and influence another individuals or groups to maintain the business contract at a higher level and to achieve the objectives of the business.
2. Self confidence; this is the ability of having a strong belief in one self to complete a task or meet a challenge.

Entrepreneurs belief that can make a difference and influence their environment.

3. Entrepreneurial self awareness; This is the ability of the entrepreneur to become aware of his/her strength weakness achievement fears and aspirations which enables him/her to work better in order to be successful in business.

**General characteristics of an entrepreneur.**

An Entrepreneurial has the following characteristics in general.

- 1- Sets moderately challenging goals where chances of success are greater than those of failure.
- 2- Assume personal responsibility for the outcome his undertaking whether he success or fails rather than blame outside factors for unsuccessful results.
- 3- Continuously explores his surroundings in order to take advantage of the available advantage so as to increase his profits.
- 4- Hates unfinished work or task therefore he/she works hard in order to have the tasks completed.
- 5- Failure or difficulties to encourage him / her but instead give him courage and self confidence.
- 6- He / she is guided by his / her performers to encourage as well as his knowledge and skills to avoid all possible causes of failure and concentrate on those who can lead to success.
- 7- He is hardworking but he works for longer hours in order to excel or be a head of others.
- 8- He is innovative and creative that is he is able to think and come up with new and better ways of doing things.
- 9- He / she is time conscious but he is able to keep time and meet every agreed to deadlines.
- 10- He is flexible: He is able to reason and take other people use and change way necessary.

## **RISKS IN BUSINESS**

Risk is a situation where one is required to make choice between two or more alternative which may result into differing rewards for cusses or penalties for failure.

A business in any activity carried out with a major aim of making profits. There are three major types of risks in business namely:

- Low risks
- Moderate risks
- High risks.

1. Low risks:- These are very minimal risks and normal yield / bring less benefit the entrepreneur.
2. Moderate risks:- These are risks that can be forecast, calculated and managed by an entrepreneur. For example machine breakdown, fire out break, acid ent...e.t.c, which can easily be anticipated and necessary precautions.
3. High risks:- these are risks whose chances of happening re very high and yet the entrepreneur has very little no control over them. If such risks occur they cause a very heavy damage or lost to the business and the chances of recovering the resources invested are very low. For example flood, earthquakes, drought e.t.c.

### **Example of risk in business**

Business people face to difficult risks and this include

- i) Theft of cash or property.
- ii) Accidents during the transportation of goods
- iii) Fire out to break which destroys the business peoprty and stock
- iv) Lack of enough market or failure to attract enough customers.
- v) Unexpected harsh climatic changes for farmers.
- vi) Shortage of row materials
- vii) Machine break down

- viii) Poor or wrong decision making which led to loss in business.
- ix) High disagree of computation which may force one to pull out of a business.
- x) Poor or decline in business relations between employers and the workers which cause strike or demonstration (causing) leading to loss to business.

## **RISK ASSESSMENT**

It refers to determining of the potential success or failure that will arise out of a particular decision of business or risk happening or not happening. Factor considered when assessing risks. The following factor should be based on or considered when assessing risks.

1. Profitability of the business: If the business can be profitably done and then there are higher chances of succeeding on that business then when the business is not profitable.
2. The cash flow:- where the business is able to generate enough cash to finance the planned business expenditures then there are higher chances of success than when the business is not in position to generate cash for its expenditure.
3. Experience and abilities:- If a person who is involved in managing a business has the required knowledge experience and taking all abilities, then he is in a better position to assess the risks for success in a business.
4. Availability of the market:- Chances of succeeding are higher when the people in the area are in need, willing and able to buy the products of the business. But there is limited or no markets then they are higher chances of failure.

5. Flexibility of the business:- The business choices that is made should be flexible. i.e it should be easily changed without having negative affects on the resources invested and the image of the business. If the business is not flexible or cannot be easily be changed then in case of failure the loss are so great because the resources cannot be sued for another purposes.
6. Honesty and reliability:- There are higher chances of success where people dealing with the business such as suppliers, workers, customers and compute are honest and reliable unlike when they are not.
7. Rising policies and strategies:- Where the prises set are affordable to customers and competitive in the market in relation to another producers prices then the prices are not affordable and not competitive in the market.
8. Political climate:- There are higher chances of success where there is political stability unlike in case of political instability where great loss may be incurred.

### **MANAGING RISKS IN BUSINESS**

This refers to taking of measures to control the currency or to reduce the negative effects of the risk on the business.

In managing risks different measures can be undertaken namely:

- (1) Minimizing risks or stock risk reduction
- (2) Shifting risks / stock risk transfer
- (3) Risk avoidance

### **MINIMIZING RISK**

This is the undertaking of measures in order to reduce the likely negative effects of the risk or to reduce the chances of the risk happening.

In a business risks can be minimized through some of the following ways

1. Employing experienced person with the relevant skills.  
This reduces the problem of poor managerial decisions regarding the use of machines, the product e.t.c.
2. Continuous training of staff to be equipped with up-to-date knowledge and skills to reduce the risks of being left behind the technical changes.
3. Using modern technology or up grading technology in order to minimize the problem of changes in customers tastes and preferences.
4. Putting in place fire extinguishers
5. Insuring tied security e.g by employing security guards strangling burglar proofs, putting in place security lights e.t.c to reduce the risk of theft.
6. Having a stand by generator to reduce the problem of power shortage or power cuts.
7. Regular serving of machines in order to reduce the broken of machines.
8. Shifting risks (risk transfer)  
This is the shifting or transferring the burden of the taking on the risks through taking an insurance policy.  
In other words the burden of the risk is channelled to insurance company by making an insurance cover / protection against a particular risk like fire, accident, theft e.t.c.

### **C. Risk Avoidances**

This is the taking of measures that can be help to prevent the risk from occurring. Forexample  
A driver should not drink and drive.

### **D. Risk anticipation**

This is the focussing the likely risk that could happen in business and then taken measures to reduce risk.

## **DECISION MAKING IN BUSINESS**

Decision making is the process of identifying and selecting a course of action from the many alternatives to deal with a problem or to take an advantage of an opportunity.

### **STEPS TAKEN IN DECISION MAKING**

There are mainly four steps that should be taken in decision making and these include:-

#### **1- Investigating the situation / problem**

These involves

- A. Identifying the problem in relation to business objectives that are blocked.
- B. Finding out to the causes of the identified problem based on the post experience and other experienced people in the same line of business.

#### **2- Developing alternative solutions**

These involves finding out the possible solutions to teh identified problem. This can be done by consulting trusted and knowledgeable people, friends, relatives, employees and through group brainstorming.

### **3- Selecting the best solution**

After identifying the different possible solutions the entrepreneur then select the best alternative. The best alternative or solution is the one that:-

- a. Has more advantages or benefits than disadvantages.
- b. Has the highest chances of succeeding in solving the problems.
- c. Can be implemented using the available resources such as labour and capital (funds)
- d. Is supported by workers or employees.

### **4- Implementing and monitoring the decision**

When the entrepreneur has selected the best alternative then he should plan to implement and monitor it. This is done by acquiring the necessary resources, distributing and using them, assigning responsibility and reporting the progress being made as well as correcting the mistakes that may arise in the course of implementing decisions.

## **FACTORS THAT INFLUENCE DECISION MAKING**

These are the factors that determine whether the decision is made very fast or after a long period of time and therefore make decisions easy or difficult they include the following:-

### **1. The nature of the situation / problem**

If the situation / problem has to be attended to quickly then a quick decision should be made but if it is not urgent then one may take his time before making a decision.

### **2. Availability of resources**

If the resources required to implement a decision are readily available then decision making become easy and fast, but if

the resources are not readily available then decision making tend to be difficult and slow.

### **3. Environmental factors / consideration**

Decisions that have negative effects on the environment tend to be difficult and slow, but if a decision has no negative effect then it is easy to make that decision and the public will quickly accept the business or decisions.

### **4. Expected benefits / profits**

If the decision to be made leads to high benefits or profits to the entrepreneur and society then it is very easy and fast to make it, but if the expected benefits are low then decision making tend to be slow.

### **5. Costs involved**

If high costs are involved in the process of making and implementing the decision then decision making becomes difficult and slow; but low costs involved make decision making easy and fast.

### **6. Knowledge about the subject matter**

If the entrepreneur or the decision maker is knowledgeable about the subject matter on which decision is to be made, then faster and better decisions are made without consultation and research while lack of knowledge about the subject o matter make decision making difficult and slow.

### **7. Past experience**

If the decision is experienced then fast and better decision have to be made than when the decision maker lack the experience. This is because the experience person be have already been exposed to some situations before and know how to handle them better.

### **8. Task requirement**

Where the task of duties table perform are difficult and not clear then decision making tend to be slow than where the task requirement are simple and clear.

#### **9. Level of creativity**

Where to decision maker is creative then the decision making tend to be faster and more efficiency but where the decision maker lacks creativity then decision making tend to be difficult and slow.

#### **10. Organisation set up culture and policies**

Decision making tend to be slow in organisation that follow along procedure of decision making e.g state of own of government own organisations while in organisation without long and strict decision making procedure e.g in sole trade decision making tend to be faster.

#### **11. Time pressure**

If the decision to be made required agency then decision making will be done faster but if the situation is not very urgent such that one has alot of time then the decision can be made more carefully and at slower past case.

### **Distinguishing between paid employment and self employment**

Their difference is that self employment is the working for yourself and earning money from your own business where as paid employment is where one gets employed by another person and paid as salary or wage.

Explain the advantages and disadvantages of self employment

The disadvantages of self employment included

- Long and regular laws of work
- There is uncertainty of income.

The advantages of self employment included:-

- The person gains status in society
- Improves one's standard of living due to high income

What is meant by the term work?

The term work meant the job that you do, especially in order to earn money.

Explain the importance of doing work.

- It is source of money
- It can keep people from bad habits
- It makes a person busy.

Robert the Newspaper Vendor

# Answer the question about the story.

1. When did Robert start his work? Robert start his work while he was in primary school
2. At the beginning, what did his friends and village mates think of his work? Think they despised his work.
3. What did the friends and village-mates think when Robert completed university and became a boss in the business. I think they envyed him.
4. What lessons do you learn from Robert's story? I LEARN FROM Robert's story to be a successful entrepreneur
5. What work can do while still at work? I can look after a shop and can wash cars.

6. What personal qualities did Robert possess? Robert was possessed by a characteristic of Entrepreneur and became a wealthy man
7. What type of work was he doing? He was doing unprofessional work
8. What type of work do people despise in your community? Another people despise in my community work like selling food items, stationary items baby sitter.
9. Write a story of some one you know whose work was despised by the community but succeeded  
Once upon a time there was a boy called Peter. He was a high school (secondary school) boy. He was having a rich family but he always wash cars to earn money to use it for school fees and pocket money, but every one in his community humiliated him and despised him because of his minor work. Then he pass to university and was able to pay his school fees and he became above all his friends who dropped out from school from paying school fees.

## **SUCCESS IN BUSINESS**

Is a realisation of a worthy intention/good

Success is the realisation of a worthy intention/good.

One is said to be successful when he/she achieves his set goals or target.

### **Indicators**

These are the factors or signs that can be based on to determine the level of achieving business goals

- 1) Increased profits a business which/who's profits are increasing from time to time is said to be successful because it can easily expand using the increasing profits.
- 2) Increased assets-a successful business tends to have increased volume of operation or activities which calls for additional assets like land for expansion, machinery furniture.
- 3) Increased numbers or market for customers a successful business tends to have an increasing numbers of customers who buy the business products.
- 4) Increased number of employees(workers) a successful tends to have increasing volume of activities which calls for increased number of work.
- 5) Recognition in the community-a successful business is highly seen and respected in the society.
- 6) Reduce operation cost(costs of running the business), a successful business has the.....to reduce the cost per unit, because it is able to buy in bulk and operate on a large scale.
- 7) Improved quality of goods-a successful business has the ability to produce high quality goods that satisfy the customer's needs.
- 8) More branches open a successful business tend to have increasing market share which let to the establishment of new branches.
- 9) Increased number of products-a successful business tends to have a wide range of good services offered.

#### **FACTORS THAT LEADS TO A SUCCESSFUL BUSINESS**

- 1 Personal entrepreneurial qualities of the owner and the senior management staff.

2 For any business to be successful the owner and the senior management staff must possess personal entrepreneurial qualities, these qualities help to provide the business with good, efficient and effective leadership and management which enables the business to be successful to have clear objectives which help to judge the works and managers in their day to day activities

3 Proper business planning-proper planning enables the business to set its target and the ways of activating the set

4 Proper location and plant lay out-a business that is strategically located can easily get raw materials, labour, power at low costs and can easily get a wider market.

5 A Proper plant lay out.

A business that is strategically located can easily get raw material, power, labour etc at low costs and easily get a wider market.

A proper plant lay out helps to promote efficient utilization[use] of resources such as time, labour, energy, raw materials etc

Availability of business supported services-business tend to be successful an environment where there are business services like banking, transport, communication, power etc, which facilitate their smooth running and lead to their success.

6 Availability of Market

Where the market is big or the number of customers is increasing then the business tends to be successful, since more customers are able and willing to buy the business products at profitable prices

7 Favourable government policies of taxation controlled inflation, political stability. Where these policies were favourable for business growth, then the business to be successful.

#### **COMMON MANAGEMENT MISTAKES THAT LEAD BUSINESS FAILURES.**

- Theft of property and cash
- Mistaking cash for profit
- Poor customer care
- Incompetent owners or managers / workers
- Uncontrolled giving of credit
- Interference of the family members in the business
- Neglect of the business
- Shortage of capital, labour , RIMS
- Short, lack of enough market
- Poor infrastructures
- Death of the owners

Many businesses have failed due to some of the following reasons.

Mistaking, cash for profit some business owners at times mistakes the cash received from the sell of goods or services to be profits and use it for personal purpose that are not retailed to the business, as a result the business may lack enough funds for the day to day running such as buying raw materials .....many end up.

Uncontrolled giving of credit , where customers are given goods on credit sometimes they take long to pay while others fail to

pay, this leads to shortage of capital and losses which may lead to the collapse of the business.

Poor customer care, if customers are not taken well, they go to other businesses where they are treated better. As a result the business loses market its products are not bought, they spoil it runs out of cash and with time it fails.

Lack of record keeping

If records are not properly kept it is a defect for an entrepreneur to tell if a business is in problems or not and may not know how much profits the business is making, how much money is in the business, who owns the business and how much etc which in the end may lead to business failure.

Neglect of the business by the owners

Some businesses fail due to the little attraction that is given to them by the owners or managers. This may be as a result of loss of personal interest, poor time management, over drinking of alcohol etc which leads to lack of supervision to the works, poor customer care, misuse of business funds and stock, departure of goods and experienced workers etc which in the end leads to business failure.

Incompetent business owners or managers

Incompetence is the inability of the business owners and workers to manage business activities effectively due to lack of technical skills.

Theft of property and cash

Some businesses fail as a result of theft of cash and property either by the employees or by thieves by outside.

Death of the business owners

Some businesses fail when the owner dies and there is no person to take over the management of the business.

Interference of the family members in the business

Family members may interfere in the running of business in different ways, such as with drawing business assets, taking goods on credit and don't pay, chasing away workers affect the smooth running of the business and lead to its failure or the collapse.

### **BENEFITS OF A SUCCESSFUL BUSINESS**

A successful business provides the following benefits to the entrepreneur.

1. The owner becomes highly recognised and respected in society because of the goods and services provided.
2. A successful business generates more profits which the entrepreneur can use for personal purposes and make further investments.
3. The entrepreneur becomes self-reliant and independent. He is able to make independent decisions and able to meet most of his personal and family basic needs.
4. A successful business generates more profits which helps the entrepreneur to improve his / her standards of living. He is able to get a variety of goods and services that he / she requires.
5. A successful business that is well established provides a permanent address to the owner and workers.

## **DIGNITY OF WORK BELIEFS AND VALUES ABOUT BUSINESS**

Work is the use of the physical ability or mental ability or both in order to produce a good or service so as to satisfy human wants.

### **TYPES OF WORK**

There are two broad types of work namely;

- Professional work
- Non professional work

#### **PROFESSIONAL WORK**

This is work where one is required to undergo training in order to acquire knowledge and skills so as to perform a particular task or activity.

E.g. of Professional work include; teaching, being an accountant, secretary, work of lawyers, doctors, engineers etc.

#### **NON PROFESSIONAL WORK**

This is work where one is not required to possess prior knowledge and skills before performing a particular task. It mainly involves the use of physical energy / ability and the person involved may acquire basic knowledge and skills through respective doing of work.

Examples of non professional work include; digging, brick making, garbage collection etc.

## **IMPORTANCE AND VALUE OF DOING WORK**

It is important to work because of the following reasons;

1. It enables one to gain recognition and respect in society.
2. It helps to increase people's incomes which helps to them to meet their personal needs.
3. It helps to improve people's standards of living.
4. It helps people to make use of their resources, talent, knowledge and skill more productively.
5. It enables people to become more useful and helpful to the society where they live or work form.
6. It helps people to meet their family requirements.
7. It enables people to become self reliant and independent.
8. It helps people to save and prepare for the future or for their old age.
9. It enable people to acquire property or wealth.

### **Dignity of work**

This refers to the respect and value one attaches to work.

### **Myths and beliefs about work and business**

Myths refer to a false idea that the society has about doing certain things.

### **ASSIGNMENT**

List 10 myths about work

List to negative beliefs about business

Suggest ways of overcoming of negative beliefs about work and business.

A carpenter or teacher will never become rich

- Building is an activity for men only
- Business is normally a last resort after one has failed to succeed with studies.
- Child ..... is work for women
- All people who work in breweries are drunkard
- Women do not catch fish
- Kitchen work is not meant for men
- Women should not ride bicycles or climb trees.

If you open your business on Sundays, you will get bad luck.

- If you sell salt at night, you will get bad luck
- Business is for people who have failed to get paid employment
- Business people are thieves and never tell the truth
- To succeed in business, one needs to practice witch craft.
- Room number 13 in a hotel has bad luck
- Do not offer credit to the first customer in business
- To succeed in business, one should sacrifice a goat or hen.
- To succeed in business, one has to go under water for blessings.

Suggest ways of overcoming negative beliefs about work in business.

- Do work or do business as long as it is legal, socially acceptable and profitable.
- Train to acquire necessary knowledge and skills for work or business.

- Develop self confidence and apply one's knowledge and skills effectively.
- Work hard and succeed
- Analyse your business failures objectively
- Persevere in business

### **CAREER OPPORTUNITIES IN UGANDA**

Career refers to an undertaking that one gets future goals.

### **FACTORS THAT INFLUENCE THE CHOICE OF CAREER**

1. Personal interest, one should choose a career that one is interested in such that one get satisfaction of doing what he or she likes even with little or no paid
2. Family background / preference, some families are in favour or against some career's job. And as a result they either encourage or discourage their children or family members from taking them up.
3. Job security, is the certainty a person has about his or her continue employment with the current employer or business. Some jobs are permanent and pensionable while others are not permanent and pensionable employment is where a given employer of workers is assured of his / her continued employment with a given organisation until the retirement age.
4. Some people chose certain career because of the job security and are discouraged from taking up particulate career because of lack of job security.
5. Demand for a particular / availability of employment opportunities, some people are encouraged to take up particular career because of the available employment

opportunities, while lack of employment opportunities discouraged people from taking up particular career.

6. Ability of the person, one should choose a career according to his or her physical and mental ability to perform the required tasks.
7. Academic preference and attainment, some career require certain levels of education or academic qualification such that one who has not attained a certain qualification can not take up a particular career or job.
8. Government policy regarding the career that is legal / acceptable by law.
9. Benefits associated with the career, high benefits encourages people to take up particular careers while lack of benefits discourages people from taking up particular careers.  
  
The associated benefits can be in terms of high salary / wage, allowances, conditions of work etc.
10. Influence from friends, teachers and other people some people take up particular careers because of the influence from friends relatives teachers and other people.
11. Inspiration from role models, some people have role models that inspire them and as a result they work hard in order to do the same careers as those of their role models such that they are just like them.

### **Assignment**

Give the different types of job careers from which a person can choose

Education

There are many types of educational institution operating at different levels of education. One can therefore choose to become a teacher of any grade.

### **Health**

Opportunities in the health profession include doctors, nurses, midwives, laboratory assistants and technicians, pharmacists, dispensers, dentist, x-ray technicians etc.

Pharmacists, dispensers, dentists, x-ray technicians e.t.c.

### **Security forces**

Career opportunities in security forces include army men / women, police men / women, prisons officers and waders and the different private security companies.

### **Law**

The career opportunities here include advocates, lawyers, magistrates, judges, prosecutors e.t.c.

## **EMPLOYMENT OPPORTUNITIES**

Employment opportunities are divided in two

Self employment

Paid employment

Self employment - This is where a person or group of people start up their income generating activity where they work for survival.

### **BENEFITS / ADVANTAGES OF SELF EMPLOYMENT**

- 1- The owner earns unlimited income because he / she takes all the profit made by the business. If the business grows and becomes more profitable he / she starts to benefit alone.
- 2- It helps to create employment for the owner where he earns a living.
- 3- It helps one to improve his/her standard of living due to income.
- 4- It enables one to become innovative and creative because he/her is encouraged to find better ways of making the business successful.
- 5- One is able to become independent and a boss of him/herself when performing work, one gets the freedom to do what is assumed correct for the success of the business without consulting others.
- 6- It enables one to employ others at his/her own terms.
- 7- People who are self employed are usually admired and respected for their business contributions to the society.
- 8- It helps to develop self confidence and self esteem as the person gains experience and skills of managing the business.
- 9- It provides job satisfaction as a result of creating one's own employment.
- 10- Self employment helps to provide goods and services to the public.

### Challenges/Disadvantages of self employment.

1. It involves long and irregular working hours. A person needs to work hard and in most cases for long hours to ensure success of the business.
- 2 There is uncertainty of income. A self-employed person is not sure of a steady income at the end of given period of time because his/her earning depends on the performance of the business.
- 3 There are no specific responsibilities. A self employed person performs all the duties and responsibilities because there may not be any other person to assist, so he/ghe does every thing.
- 4 There is a low life style due to hard work. A self employed person normally spends much time at work and may not have enough time to relax or enjoy leisure activities.
- 5 There is lack of fringe benefits (non monetary benefits) like medical care, transport, leave.

### PAID EMPLOYMENT

This is where a person gets employed by an other person, business, government or non-government organisation and he is paid a salary or wedge periodically for specific duties given by employer.

### BENEFITIES OF PAID EMPLOYMENT

1. Specific duties and responsibilities are performed by the work.

2. Steady income by the workers. THE amount of money earned as salary and wedge is fixed by the employer or negotiated by both the employer and the employee.
3. There is a chance for the worker to enjoy fringe benefits such as leave, transport, medical care, mils, and accommodation e.t.c.
4. The hours of work tempted to be fixed and may even be favourable to the worker.
5. There are minimum risks of lost on the part of the worker because the employer bear most of the risks.
6. The employer/worker works on a set under well organised systems of control or administration that are put in place by the employer.
7. The worker may be assured of promotion and a certain future as long as the employer is operating well

#### DISADVANTAGES/CHALLENGES OF PAID EMPLOTMENT

1. There is lack of independence on the side of the worker. This is because one has to follow orders and instructions from the employer without diverting.
2. There is fixed payment/income where by the worker gets a fixed wedge or salary which may not be changed even he/she increases the effort put in.
3. There is limited job security for the worker. He/she should be prepared to loose the job in case of inefficiency.
4. It discourages creativity and inactiveness. If one develops an idea it may be difficult to implement it because there usually bureaucratic procedures that have to be followed which in most cases do not allow one to have the independency of trying out new ideas.

5. There is limited and fixed responsibility. One does not go beyond doing work that was specified in the job distribution.

Assignment

1. Identify the different types of job careers from which a person can choose.
2. Explain the personal qualities that leads to success in business.

**Answer**

**A. Planning cluster-This includes the following characteristics**

a. Good setting- the ability of an entrepreneur to set clear goals and objectives -they must be smart (specific, measurable, attainable, realistic, time bound.

b. Information seeking-having the urge to look for the required information in order to make informed decision

c. Systematic planning and monitoring-This is the ability to use plans and will be used the evaluating and monitoring the progress of the business

**B Achievement cluster-includes the following**

a. Opportunity seeking-This refers to the quality that enables an entrepreneur to see an action new business opportunity even in situation where other person see nothing but problems.

b. Commitment to work-The ability to accept final responsibility the job

c. Determination

d. Demand

e. Risk-taking

B. Power Cluster-Includes the following

a. Persuasion and net working-The ability to link and convince

b. Self confidence-Is the ability of having a strong belief in one self to complete a task or meet a challenge

c. Entrepreneur self awareness-This is the ability of the entrepreneur to become aware of his/her strength weakness achievements fears and aspirations which enables him/her to work better in order to be successful in business.

#### COMPETENCIES REQUIRED IN THE JOB MARKET

There are the supportive skills that are needed for the different careers.

They include the following

1. Communication skill-This is the ability of a person to use good ways to convey information and interact with other people both verbally (word of mouth) and in writing. This skill helped a worker to understand what the employed wants and also be understood by the employer and other employees.

2. Adopting-skills# This is the ability of a person to be flexible and respond to changes positively. Employers need

this skill in workers because it makes them learn new things easily.

3. Decision making skills; This is the ability of a person to make appropriate decisions whenever necessary. Employers want this skill in workers because they may seek the opinion of these workers when need arises.
4. Interpersonal skills; This is the ability of a person to easily relate well and work with others. This skill helps to promote team work to perform tasks for the success of the business.
5. Technical skills; This refers to the various abilities of a person to understand and fully participate in the production process of a business. These skills are acquired through education, training, and experience.
6. Creativity; This is the ability to developed new ideas and methods in the production methods. Employers need workers with this ability especially where the nature of work needs problem solving ability.
7. Culture diversity; This is the ability to work in an environment with people from different cultures or back ground.
8. Persistence/determination; This is the ability to work hard or putting much effort for a long period of time without getting discouraged/tired.

#### **UN-EMPLOYMENT**

This is where one is looking for a job and he is willing to take up the job at whatever salary/wedge that is offered but can not find one (job)

## CAUSES OF UN-EMPLOYMENT IN UGANDA

### 1. High population growth rate

Uganda's population is increasing at a very high speed yet the speed at which jobs are being created is slower. Therefore many children are born in the country everyday and when they reach the working ages some fail to get jobs even after studies

### 2. Discrimination in the job

Some employers discriminate workers when recruiting(employ) according to the age, sex, religion, tribes, e.t.c. Therefore the workers that are discriminated against are left unemployed.

### 3. Poor education system.

The education system in Uganda trains more of job seekers than job creators and therefore some people fail to get jobs.

### 4. Lack of information on the availability of job opportunities. Some people do not know where some jobs get exist and therefore remain unemployed due to their ignorance about the existence of the jobs.

### 5. Physical and mental disabilities; Some people with disabilities such as the lameness, blindness etc can not find jobs where they are accepted.

### 6. Use of advanced technology; Some workers in the country are laid off and are replaced by machines such as Computers, ATM (Automatic teller machines).

### 7. Political instability in some parts of the country. Some people such as those in Northern Uganda have been driven away from their job areas and have become unemployed.

8. Changes in season; This is mainly in the agriculture sector where farmers become unemployed especially during the dry seasons.
9. Changing of jobs; Some people become unemployed during the time of looking for another job after living or completing the previous job for example, builders.
10. Poor attitude towards work; Some people such as those from rich families and those who are lazy tempt to undermine/ despise some jobs and choose to remain unemployed despite the existence of the jobs.
11. Rural Urban migration; Many people move from rural areas to towns for employment and a better life unfortunately some fail to get the jobs and end up unemployed
12. Shortage of capital; Some people do not have enough funds in which to start a business or jobs of their own.

#### MEASURES TO REDUCE UNEMPLOYMENT.

- 1, Population control measures such as use of family planning methods should be encouraged and put in place in order to reduce population growth rate.
2. The education system should be changed such that it equips the learners with skills of job creation rather than job seeking.
3. Career guardians should be provided to the students regarding their subject combination such that they take up courses that provide skills which are required in Uganda job market.
4. Credit facilities (loan) should be provided to local investors at low interest rate so as to increase investment and create more employment opportunities.

5. The government should set up and also improve on the existing infrastructures such as to encourage entrepreneur to set up in prise
6. The government should ensure political stability in all parts of the country.
7. Employment bureaus should be created and given the responsibility for collecting information on the available jobs and advertise this job to the public.
8. Rural electrification should be emphasised to enable the rural people to start up small skilled industries
9. Dependence on the natural agricultural sector should be reduced by adopting modern methods of farming such as irrigation so as to reduce unemployment due to change in seasons.

#### HOLIDAY WORK TERM 11

##### 1.a. What is meant by the career?

Career is the term that refers to an under taken that ones gets involved in order to survive and achieve once future goals

##### b. Explain that the factor that influence the choice of career.

- Personal interest; One should choose a career that one is interested.
- Family back Ground ; Some families are in favour or against some career's job
- Job security; When a person ( worker ) has assured of his/her continuity at his employment with a given organisation until retirement age.
- Availability of employment opportunities; Some people are encouraged to take up a particular career because of the availability of employment.

- Availability of the person; One should choose a career based on his mental and physical ability.
- Academic preference and attainment; Level of education or qualification can allow or refuse one to do a certain work.
- Government policy; To choose legal work.
- Benefit associated with business; High benefits encourage people to take up a certain business.
- Influence of teachers, friends and other people.
- Role models.

C. Identify the key competence required in the job market for different careers.

- Communication skills; This is an ability of a person to use good ways to convey information and interact with other people both verbally and in writing.
- Adopting skills; The ability of a person to be flexible and respond to change positively.
- Decision making; Is the ability of a person to make appropriate decisions when ever necessary.
- Creativity; The ability to develop new ideas and methods in the production methods.
- Culture diversity; Is the ability to work in an environment with people from different cultures or back ground.
- Adopting skills; Ability to flexible.
  - Interpersonal skills; Ability of a person to easy relate well and work with others.

#### INCOME AND ITS USES

- Income is the amount of money one gets after participating in a gainful legal activity.

## TYPES OF INCOMES

1. Salary and wages.
2. Profits
3. Interest
4. Bonus
5. Rent
6. Fees
7. Commissions
8. Dividends
9. Pension
  
10. Royalties

## SOURCES OF INCOME

There are different sources where an individual or a business can earn income from. They include the following.

1. Farming; This is the growing of crops, rearing of animals and selling their production. When these products are sold farmers get income.
2. Trading; This is the buying and selling of goods with an aim of making profits. Traders buy goods at a lower price and sell them at higher price. This difference is their profit after deducting (subtracting) this expresses.
3. Manufacturing; Some entrepreneur earn an income from manufacturing and selling goods. These goods that are produced, are sold at a price higher than their cost of production is a profit to an entrepreneur which is his/her income.

4. By providing services; People get income through providing services which other people need and are willing to pay for eg teaching, driving, hair dressing.
5. Through paid employment; People in paid employment earn income known as wages or salaries depending on the nature of job being done.
6. By carrying out activities on behalf of others; Some people earn income by carrying out transactions/activities on behalf of others.
7. By exploiting and developing talents; Some people earn income by exploiting and developing their talents eg . singing jogging.....

#### **WAYS OF USING INCOME**

There are four major ways of using income and these include the following;

1. By consuming it; The income got from different sources is normally used for consumption by the people who earn it eg by buying households items, buying food and drinks at home, paying children' fees etc...
2. By saving it, saving is putting a side part of one's income for future uses. It requires:
  - 1) To one to reduce on his / her current consumption to reserve a balance that can be used in future.
3. By investing: some people use their income for investment purpose buying productive resources land, houses e.t.c.
4. By meeting precautionary need:- income earners at times use their money to meet precautionary needs like old age, sickness accident e.t.c.

## **Ways of increasing saving and investments**

→ Saving and investments can be increased through the following ways:-

1. By reducing consumption - reducing consumption enable one to put aside more money that can be used in future.

2. By providing secure banking facilities

→ Secure banking facilities help to make people feel confident and bank some of their incomes. When these savings accumulate the banks lend the money to the savers to meet their investment plans.

3. By creating investment opportunities

→ When some businesses are established in an area they create further investment opportunities for other services.

4. By developing a culture of saving.

→ Developing a saving culture helps to increase the investments. A saving culture can be developed by sensitising (educating) the public, by using the media, through workshops, seminars.

5. By improving / insuring potential stability saving and investment can be increased if the life's of the savers are secure this gives them confidences about the future and encourages them to save more.

6. By budgeting

→ People should budget such that they do not spend more than that was budgeted for.

## **IMPORTANCE OF SAVINGS AND INVESTMENT**

The reasons for making savings and investment include the following:

- A) As a precaution for the future needs. People save income to provide for unforeseen problem that may arise in the future that will require one to suddenly spend money. Both individuals and businesses hold some cash at hand and bank accounts to provide for illness, accident, unemployment e.t.c.
- B) For transaction. Income is also saved in order to have cash to meet transactions of personal and business nature. At personal level, individuals will need cash to be used in their day to day transactions. Businesses will save money to be re-invested or for expansion purposes or for replacing existing machines.
- C) Self employment: once an individual's invests his/her savings, he/she will create employment opportunities for him/her self. This will enable him/her to become self reliant.
- D) Exploration of idle resources. Investing in business enables entrepreneurs to use resources that may be idle. These can be converted into goods and services to meet people's needs.

E) Employment of others. If investments being made are to use more labour than capital, then a number of people will be employed. This will reduce on the unemployment problem in the country. This will further lead to people raising their standards of living.

F) Utilization of resources

By establishing enterprises whether small or large it will help it tapping idle resources for instance human resources, land, water, plants and animals. It also helps to produce goods and services for export, local consumption or investment. This will lead to economic growth of the area and the country at large.

G) The equality argument

Investment helps in the creation of wealth by producing more goods and services as well as income for both the investors and employees. Investment therefore helps to bring more people into economic activities and in a way helps in the distribution of income. This particularly helps if investment is deliberate spread over the country.

H) Savings

Investment helps people and other business to increase their incomes. This makes it possible for people who previously did not have any significant income to get it and therefore be able to start saving.

I) **Exploiting opportunities**

**One can easily exploit opportunities that arise in the course of running business.**

## **CHARACTERISTICS OF PEOPLE WHO PREFER TO CONSUME MOST OF THEIR INCOME**

- They are very extravagant. They spent all the income that comes their way on things they need or may not need immediately.
- They lead a luxurious way of life by purchasing luxury and expensive goods and services that they come across. Some of those may not even necessary but they just want to show off.
- They have low desires to save such people rarely save and invest their income.
- They have got no investment plans for the future. This is because their income is always spent as soon as they get it.
- Their incomes normally tend to be used for paying debts that were incurred prior to earning the income.
- Whenever they earn some money, they become unstable all the waiting to go out and spend it. They only become stable after the money has been spent.

## **CHARACTERISTICS OF PEOPLE WHO PREFER TO SAVE**

- They are very careful in their spending. Every expenditure has to be justified.
- They normally tend to lead a simple life. They do not engage in spending their income on luxury goods and services.

- They have high motivation to save and invest. They tend to give priority to saving most of their earned income.
- They tend to look at and take up every opportunity that is available for them to save.
- They tend to prefer foregoing a lot of things at the beginning (at times even necessities of life) preferring to save for increased future consumption.

#### **CHARACTERISTICS OF PEOPLE WHO PREFER TO INVEST**

- They are always on the look out for available investment opportunities.
- They tend to give priority to investment and much of their income is reserved and used for investment.
- They normally tend to lead a simple life as they spend most of their income on capital goods and services that will lead to further investment.
- Such people work hard and for longer hours to earn more income so that they can increase their savings and subsequently invest.

#### **SAVING AND INVESTMENT PLANS**

- Making plans for saving and investment requires one to forecast how, when and how much income he/she will receive during a given period. The next step is to develop a budget and in so doing prioritise his/her needs
- This will entail doing the following:
  - Identification of needs
  - Setting saving targets

- Prioritizing the needs
- Finding out the cost of each need
- Finding out the difference between the total cost of the needs and income and establishing whether the balance meets saving targets.
- Carrying out a review of prioritizing needs, their costs and saving targets to ensure that they can all be accommodated within income packages.
- Choosing how the saving of income can be done.
- Making the saving
- Spending part of the income on the priority list items that have been provided with the budget.

## Businesses in Uganda

A business is any activity that is carried out with a major aim of making profits.

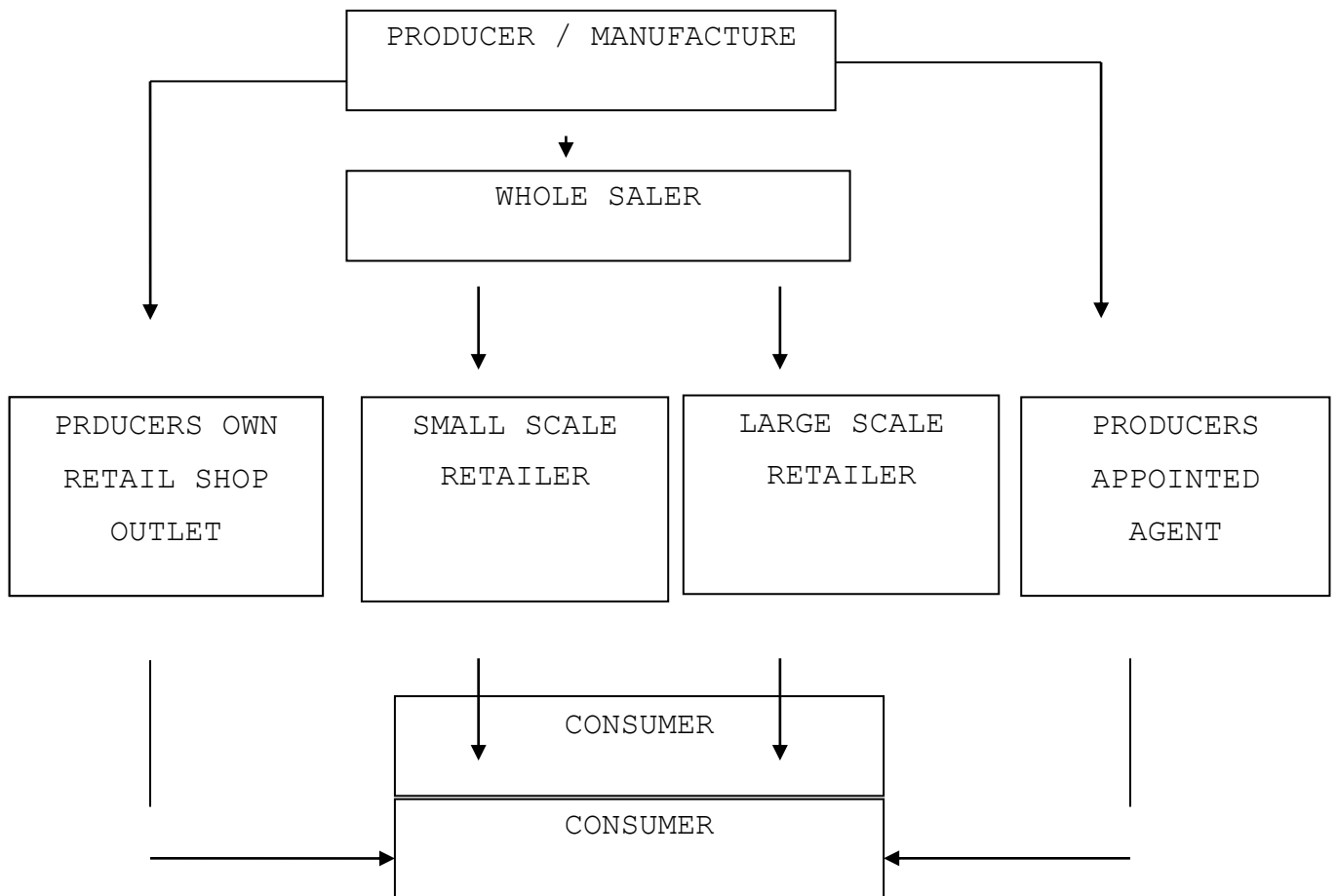
## Types of businesses

1. Agri - businesses. These are businesses whose activities involve the growing of crops and rearing of animals in order to sell their products for a profit. Agric businesses include
  - 1- Crop rotation
  - 2- Cattle keeping
  - 3- Poultry farming
  - 4- Horticulture
  - 5- Fish farming
  - 6- Bee keeping

2. Trading businesses. These are economic activities which involve buying and selling services and goods for a profit. Trading businesses can be whole selling business or retailing businesses.

In trading businesses there are different channel of distribution that goods can follow right from the producer until they reach the final consumer.

The channels of distribution in business are as follows.



3. Manufacturing businesses. These are businesses that produce raw material by adding value to them to produce d/t products. It include Textile industries, furniture making, food processing and packaging, milling factories, metal fabrication factory, basket weaving, juice making e.t.c.
4. Service businesses. These are businesses that provide services to their customers by using specialized knowledge and skills of the owners and employees. For example businesses that provide
- A. A. transport services
  - B. Banking services
  - C. Medical services
  - D. Education services
  - E. Entertainment services
  - F. Security / legal services.

#### SIZE OF BUSINESSES

INDICATOR OF BUSINESS	BUSINESS SIZE			
	MICRO	SMALL	MEDIUM	LARGE
Man power: No of employees	1 - 2	3 - 20	21 - 100	Over 100
Size of capital	Up to shs 3 million	Up to shs 50 million	Up to shs 500 million	Over shs 500 million
Registration	Not necessary and therefore in most cases not registered	May or may not be registered	Registered as a limited liability company	Registered as a limited liability company

Legal form	Sole proprietorship	Sole proprietor or limited liability company partnership	Limited liability company partnership /	Limited liability company partnership
Sales volume	Very low	Low	Relatively high	Very high automated and highly skilled hired labour
Level of technology	None or just basic and simple improvisations	Simple but at times highly skilled owner	Modern with hired skilled labour	Specially designed and permanent premises
Premises	None or just temporary	Simple but semi or permanent	Good permanent premises	Uses a lot of energy dependant on energy
Energy	Not necessary	Relies on muscle power	Basic for lighting, freezing e.t.c	Rigid producers to be complied with
Ease of being	Very easy	Easy with basic or few formalities	Must comply with formal legal requirements	

Businesses are broadly divided into four categories according to size, this include:-

1. Micro businesses - this are very small business usually run by their owners who may be assisted by their family members.

#### **Characteristics of micro businesses**

1. They are usually run by their owner who may be assisted by the family members
  2. Their sales volume is very low
  3. They usually operate from simple premises or streets or verandas.
  4. They normally target the local market or the travelling community.
  5. They may not be required to get a trading license from the local authority before they start businesses activities. However for security purpose and to be recognized. They are required to register with the relevant local associations. Forexample hawkers association.
  6. The owners main goal for going into business is survival.
2. Small scale businesses. These are businesses that operate from semi - permanent or permanent premises which tent to employ family members o relatives but the number of workers usually may not exceed 20 people.

#### **Characteristics of small businesses**

1. They employ between 3 - 20 people
2. They employ between here million and up to 50 million shs as capital in business.
3. They are easy to start and may not require for mail registration.

4. They are usually well established whereby some of them produce for exporting.
  5. The level of technology used in production is simple.
3. Medium size businesses. These are well established businesses that operate in permanent premises and employ up to 100 workers using advanced technology in the production process.

### **Characteristics**

1. They require large capital in order to be started of between 150 - 500 million shillings.
  2. They employ between 21 and a 100 workers.
  3. They operate in permanent premises
  4. They must be registered with the registrar of companies before starting the business.
  5. They produce for both the local and international market.
4. Large scale businesses. These are businesses that are operate from well established and permanent premises, employing over 100 workers most of who are highly skilled or specialized.

### Characteristics of large scale businesses

1. The employ large capital in the business of over 500 million shs.
2. The employ more than 100 workers
3. They operate from well established and permanent premises.
4. They are required by law to register before they start their operations.
5. Most of them produce for both the local and foreign market.

6. They mainly employ skilled workers

Example of large scale businesses

- Mukwano
- Kakira sugar works
- Ts
- Roofing
- MTN, Airtel
- Coca cola

### **Factors considered when determining the size of business**

1. The amount of capital invested in the business. The higher the amount of capital invested the larger the business.
2. The number of the worker employed. The workers may be skilled, semi skilled or unskilled usually the larger the number of workers employed the larger the business.
3. The level of technology used in production. Big businesses usually employ modern technology in production so as to produce high quality and quality goods unlike the small businesses.
4. The volume of sales made over a given period of time. Usually larger businesses have higher or bigger volume of business sale compared to smaller businesses.
5. The size of market. Large business usually serve a bigger market both within an outside the country unlike the small scale businesses which serve only the local market.
6. The legal form of business. Large businesses usually operate as partnerships or companies while small businesses usually operate as sole trade partnerships.

### **Importance of businesses**

→ Businesses are important in the following ways.

- 1- They are a source of income to the owners from the profits they make.
- 2- They provide goods and services needed by their customers.
- 3- They provide employment opportunities to people.
- 4- They bring goods and services near the customers by transporting them from where they are produced or from the different producers.
- 5- They add value to the local raw material and turn them into products that are needed by the customers e.g they convert timber into furniture, leather into shoes, leather into bags, belts e.t.c.
- 6- They provide market for peoples produce for example coffee processors buy coffee from the farmers, grain millers buy from farmers maize e.t.c.
- 7- They contribute to government revenue by paying taxes. The government uses these revenue to provide social services and to put in place infrastructures like roads, schools, hospitals e.t.c.
- 8- They make the basic use of resources that would otherwise has being useless or harmful to man and the environment for example they make manila out of waste material. They recycle waste materials into different products.
- 9- They contribute to community social and economic development programs. Forexample some of them participate in the construction of schools, health centres and roads while others pay school fees for the needy and vulnerable children.

## **CHALLENGES OF BUSINESSES**

### 1. Inadequate funds

Businesses face a challenge of raising capital to finance their activity which limits their expansion and limits the store of goods produced or traded.

### 2. Limited market

Businesses are faced with a challenge of how to expand the market both domestically and internationally. Their market is small which does not give room for them to stock goods in large quantities and at times to operate on a large scale.

### 3. Shortage of raw materials

This is a challenge mainly to the manufacturing businesses whereby their inputs are scarce and are at high prices which increases their cost of production resulting into increase in the price of goods they produce.

### 4. Low level of infrastructural development

In most areas there are poor roads especially in places with murrum roads which become so slippery and at times impossible during the rainy season. This affects businesses because the raw materials don't easily reach the places where they are needed for processing and the finished goods do not easily reach the market areas.

### 5. Insecurity

Some areas are faced with a challenge of insecurity e.g wars, robberies theft e.t.c. which affects the smooth running of the different businesses and at times.

### 6. Changes in customers tastes and preferences

Customers passions and tastes change from time to time so businesses change a challenge of how to go up with the customers changing fashions and tastes.

7. Inadequate skilled man power

Most businesses do not have enough skilled labour to properly manage or carry out the business operations to the expected or desired standards.

8. Competition from other businesses

There is stiff competitions from other businesses within the country and at times competition is from the imported manufactured products especially with the manufacturing businesses.

9. Unreliable power supply

The power supply is unreliable in that it is on and off which affects the different businesses activities where is essential.

10. Inadequate support services

The business support services e.g banking,

11. ,,

→ Limited taxes to the government

→ Attraction towards the customers by the location of the place and by the quantity of the products.

c) Explain the factors that should be considered when conducting market assessment

- communication skills
- Adoptive skills
- Decision making skills
- Creativity - the ability to develop new ideas and methods in the production methods
- Culture diversity
- Adopting skills
- Interpersonal skills

Challenges of manufacturing businesses

- Inadequate capital
- Inadequate / shortage of raw materials
- Shortage of land for expansion
- Limited skilled labour
- Poor infrastructures e.g roads.
- Price fluctuations
- High taxes
- Unreliable power supply
- Limited market
- Insecurity
- Limited equipment and spares for machinery
- Inappropriate technology
- High competition
- Limited credit facilities.