

P230/2

ENTREPRENEURSHIP EDUCATION

Paper 2

July - August, 2022

3 hours



UGANDA MUSLIM TEACHERS' ASSOCIATION

UMTA JOINT MOCK EXAMINATIONS 2022

UGANDA ADVANCED CERTIFICATE OF EDUCATION

Entrepreneurship Education

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3 Hours

INSTRUCTIONS:

- Answer only **FOUR** questions.
- All questions carry equal marks.
- Credit will be given to use of relevant diagrams and illustrations.
- Any additional question (s) answered will **not** be marked.

1. You are owning a money lending project in your home district.
 - (a) Prepare a loan repayment schedule for a client that obtained a loan of shs. 20,000,000, payable in five years of equal installments at an interest rate of 12% on a reducing balance. (06 marks)
 - (b) Prepare guidelines to be considered before issuing a loan to a client. (07 marks)
 - (c) Write a tender notice in newspapers looking for a service provider of security services at your business offices. (07 marks)
 - (d) Describe the credit recovery procedures for the business. (05 marks)

2. You have been hired as a consultant to improve performance of the organization.
 - (a) Prepare a newspaper advert for the post as Assistant Human Resource Manager. (06 marks)
 - (b) Draw a programme for recruiting other employees in the organization. (06 marks)
 - (c) Draft motivational policy guidelines for the organization. (08 marks)
 - (d) Write procedures when disciplining employees. (05 marks)

3. You plan to establish a tree- planting project in your home village.
 - (a) Write an invitation letter to your District Forestry Officer for project launch. (05 marks)
 - (b) Draft a job description for the project manager. (06 marks)
 - (c) Develop policy guidelines for evaluating your business opportunity. (08 marks)
 - (d) Explain the benefits of the project to the community. (06 marks)

4. You plan to establish a dairy business in your home town.
 - (a) Design a receipt to be issued to the buyers of your milk in large quantities. (05 marks)
 - (b) How will you ensure proper management of finances of the project? (08 marks)
 - (c) Prepare a financial plan to be used in the business. (06 marks)
 - (d) What benefits will you enjoy by paying taxes promptly? (06 marks)

5. The following information was extracted from books of Kainerugaba for the period ended 31st December 2019.

Details	Shillings (000)
Opening stock	500
Net purchases	5,500
Net sales	95,000
Cost of sales	46,000
Closing stock	10,000
Gross profit	49,000
Net profit	37,425
Bank loan	15,000
Capital	20,500
Creditors	1,500
Salaries due	1,000
Total Current assets	15,825
Debtors	2,500
Land	47,600
Motor Van	5,000
Equipment	10,000

Additional Information

Depreciation of 20% on motor van and equipment per annum

Required;

(a) Calculate,

- (i) Gross profit margin. (03 marks)
- (ii) Net profit margin. (03 marks)
- (iii) Rate of stock turn. (03 marks)
- (iv) Credit / purchases ratio. (03 marks)
- (v) Current ratio. (03 marks)
- (vi) Capital employed. (03 marks)

(b) Determine:

- (i) Fixed capital. (03 marks)
- (ii) Rate of return on capital employed and interpret your answer. (03 marks)

6. Road cementers Construction Company limited employs five categories of workers and managers. The respective payment for each category is as follows:

	Category	No. of employees	Monthly gross pay (shs)
1	Traffic controllers	2	200,000
2	Tractor drivers	3	320,000
3	Supervisors	2	400,000
4	Engineers	4	3,800,000
5	General manager	1	12,400,000

Using the P.A.Y.E tax rates provide below

Chargeable monthly Income	Tax rate
Not exceeding shs. 235,000	<i>Nil</i>
Exceeding shs. 235,000 but not exceeding shs. 335,000	10% of the chargeable amount exceeding shs. 235,000
Exceeding shs. 335,000 but not exceeding shs. 410,000	Shs 10,000 plus 20% of the chargeable amount exceeding shs. 335,000
Exceeding shs. 410,000	(a) Shs. 25,000 plus 30% of the chargeable amount exceeding shs. 410,000 (b) Where chargeable income exceeds shs.10, 000,000, an additional 10% is charged on the amount by which chargeable income exceeds shs. 10,000,000.

Required, ...

Calculate the amount of PAYE payable monthly by,

- (a) Each category of employees. (22 marks)
 (b) Road Cement Construction Company Limited to Uganda Revenue Authority. (03 marks)

END