

Marking Guide Entrepreneurship 845/1 - 2016

1. Invoice to be used

..... PHAMARCY

P.O. BOX 145 KAMPALA TEL. 0712400300

“Dealers in General Medicine & Drugs”

Date:

No.

LPO. No.

INVOICE

TO:

NO	Description	Quantity	Unit Price	Amount
E&E	Total			

Shillings:

.....


Prepared by:

.....

.....
SALES MANAGER

Any 12 x ½ = 06 marks.

b. A Poster for the Business

NEW MAVID PHAMARCYNEW	
P.O. BOX 80 Kampala	Tel. 0796700800
Dealers in General Medicine & Drugs	
Located on Kampala Road	
We have all types of Drugs	
HEALTH IS LIFE HEALTH IS LIFE	
 2 METRERS	

Any 7x1=7 Marks

C. A Questionnaire for the Business

MAVID Pharmacy	
P.O. BOX 80 Kampala	Tel. 0796700800
Dealers in General Medicine & Drugs	
<u>QUESTIONNAIRE</u>	
Dear Respondent you are kindly requested to fill this questionnaire. The information collected will be used to help us understand your needs in our effort to serve you better. We promise to treat collected information confidentially.	
1. Name of Customer (Optional)	
2. Sex	
3. Age	Residence
4. Income a) b)Medium c) High	
5. Do you receive our services? Yes No	
6. If Yes, where do you receive it from?	
7. How did you come to know about the existence of the above facilities?	
8. Have you ever got medicine from Mavid Phamarcy?.....	
9. If yes, how did you find our services?.....	
10. What is your comment about our prices.....	
Any 10X1/2=5 marks	

Promotion Prospects. Ways of motivating workers

- Fair and timely pay
- Favourable employment terms
- Promotion prospects
- Provision of adequate and timely recommendations where necessary
- Involvement in decision making
- Effective performance appraisal's
- Good working conditions
- Providing job training where necessary
- Providing fringe benefits
- Attending to employees problems/concerns

Any 7X1=7Marks

2. Capital = Total Assets-Total Liabilities
 $(3,200,000+2,400,00+1,800,000+1,200,000+4,000,000+4,320,000) -$
 $(2,000,000 + 1,600,000 + 800,000+300,000)$
= Shs. 12,320,000

b. Birungi and Kitimbo Balance Sheet as at 31st December 2014

	Shs.		Shs.
<u>Fixed Assets</u>		Capital	12,320,000
Motor Vehicle	3,200,000	<u>Liabilities</u>	
Buildings	4,000,000	Bank Loan	2,000,000
Furniture & Fittings	4,300,000	Creditors	1,600,000
<u>Current Assets</u>		Bank Overdraft	800,000
Stocks of goods	2,400,000	Accrued	300,000
Debtors	1,800,000		
Cash at Hand	1,200,000		

Calculate

C(i). Current Ratio

$$= \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

$$= \frac{5,400,000}{2,700,000}$$
$$= 2:1$$

(ii). Quick Ratio = Current Assets – Stock

$$= \frac{\text{Current Assets}}{\text{Current Liabilities}}$$
$$= \frac{5,400,000 - 2,400,000}{2,700,000}$$
$$= 1:1$$

iii. Capital Employed

Capital

$$= \text{Fixed Assets} + \text{Working Capital}$$
$$= 11,520,000 + 2,700,000$$
$$= \underline{\underline{\text{Shs. } 14,220,000}}$$

3. a) Purchase order form to be used

<p style="text-align: center;">DONGOM Sugar Works Ltd P.O. BOX 100 Masindi Tel. 0777003300 <i>"Dealers in Quality Sugar Production"</i></p>				
<p style="text-align: right;">Date 12th May 2015 Purchase Order No. <u>412</u> Quotation Ref. No. <u>176</u></p>				
<p style="text-align: center;">Purchase Order Form</p>				
<p>To: Tibendena Sugar Grower P.O. BOX 420 Entebbe</p>				
<p>Please Supply the following:</p>				
NO	DESCRIPTION	QUANTITY	UNIT PRICE	AMOUNT (SHS)
1	Tonnes of Sugar Cane	10	200,000	2,000,000
	TOTAL			2,000,000
<p>Terms: Cash on Delivery Prepared by: Akiki Mothoni Purchases Manager</p>			<p>Suggested date of delivery 20th May 2015</p>	

Dealers in Quality Sugar Production

Certificate No.

- b. A Share Certificate to be issued to the business share holders

Any 12X1/2=6marks

3b) Share certificate to be used

DONGOM Sugar Works Ltd
P.O. BOX 100 Masindi Tel. 0777003300
Dealers in Quality Sugar Production

This is to certify that of
..... is a registered share holder of :

Ordinary shares of each fully paid in the aboveCompany subject to the Memorandum and articles of Association thereof.

Date	Transfer No	No of Shares

For and on behalf of DONGOM Sugar works

.....

Seal

Company Chair person

c. Factors considered in selecting the advertising media to be used in my business

- Cost of the Medium
- The economic group to which the medium appeals
- The age group to which the medium appeals
- The Social Class to which the medium appeals
- Speed and urgency of information
- The geographical area to be covered by the medium
- Media used by the competitors
- Availability of the medium
- Channels of distribution
- The nature of the product

**Any 5X1=5
Marks**

d. Factors considered before choosing the location of the business:

- presence of raw materials e.g. sugar cane plantations
- Existence of labour i.e. both skilled and unskilled
- Accessibility of transport and communication network
- Availability of premises/land to be rented/hired/purchased
- General government policy on location of business
- Presence of adequate market for business products
- Presence of adequate security in the area
- Availability and access to water and power
- Availability of business support services e.g. banks

Any 7X1=7 Marks

Dongom's Three Column Cash Book

	for the month of January 2015										
DR.											CR
Date	Details	F	Disc allowed	Cash	Bank	Date	Details	F	Disc allowed	Cash	Bank
2015			Shs	Shs	Shs	2015			Shs	Shs	Shs
Jan 1st	Capital			600,000		Jan 2nd	Purchases		40,000	360,000	
9th	Sales		6,000	114,000		4 th	Furniture			100,000	
12th	Cash	c			150,000	6 th	Carriage			20,000	
14th	Sales		4,750		90,250	12 th	Bank	c		150,000	
16th	Sales			50,000		17 th	Electricity				20,000
19th	Sales			100,000		20 th	Purchases		600		29,400
23rd	Bank			75,000		21 st	Stationary			15,000	
						23 rd	Cash	c			75,000
						24 th	Wages			15,000	
						30 th	Drawings				25,000
							Balance c/d			279,000	90,850
			10,750	939,000	240,250				40,600	939,000	240,250
	Balance b/d			279,000	90,850						

X/32*20=

DR.		Discount Allowed A/CCR	
2015		Shs	Shs
Jan 31st	Cash	10,750	Balance c/d 10,750
	Balance b/d	10,750	

Dr.		Discount Received A/C		CR
2015		Shs		Shs
	Balance c/d	40,600	Jan 31 st	Cash 40,600
		40,600		40,600
			Balance b/d	40,600

x/12X5

5a. Specialized in the business of providing insurance services to my customers

Letter of inquiry to a potential supplier of Plumbing materials

Mirembe General Insurers
P.O. BOX 800, Mityana
Tel. 075112440
“Dealers in General Insurance Services”

Date: 15th May 2015

Our Ref:

Your Ref:.....

The Purchases Manager
Chibu Stores
P.O. Box 598Katwe

Dear Sir/Madam

RE: INQUIRY ON THE AVAILABLE PLUMBING MATERIALS

MIREMBE GENERAL INSURERS is a newly established Insurance Company located in Mityana –Mubende Road.

The aim of this communication is to request you to avail us with the necessary details of the items you have in stock. This should include but not limited to prices, terms of sale and terms of delivery.

We look forward to receiving your positive response.

Yours faithfully

Susan Nakiito
Purchasing Manager C.C. The Managing Director

$$12 \times \frac{1}{2} = 06$$

b. Steps followed when taking up an Insurance Policy:

- Identification of the Insurance Policy
- Filling of the proposal form
- -Collection of premiums and paying of first premiums
- Receiving the cover note
- Issuing of an Insurance Policy
- In case the risk insured against occurs filling the claim form

Any 5x1=5mks 1st two steps a must

C. Factors to consider when selecting the means of transport to be used

- Availability and safety of the mode
- Cost of transport
- Nature of goods to be transported
- Size of the load
- Value of goods to be transported
- Speed and urgency

d. A contract for a third party policy to be offered to Drake Motors.

The Republic of Uganda

A CONTRACT OF THIRD PARTY POLICY

BETWEEN

Mirembe General Insurers

P.O BOX 800 Mityana

075112440

AND

DRAKE MOTORS

P.O BOX 598 KATWE

Today the 15th May 2015 the above parties hereby enter into contract for the offer of third party insurance policy under the following terms:

- a) Mirembe General Insurers will offer third party insurance policy on monthly premium cash payment 30,000.
- b) All premiums will be paid in cash by use of bank drafts, personal cheques will not be accepted
- c) The Insurance policy will automatically be renewed monthly upon payment of premiums
- d) Compensation will only be honoured if the cause of loss is as a result of accidents and losses caused by the insured

Witnessed by:

Namubiru Rebecca

Advocate

**Tamale James
Purchasing Officer
Drake Motors**

**Ester Kibuuka
Sales Manager
Mirembe General Insurers**

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MARKING GUIDE

PAPER 1 SET 2

Qn1a. Secured a loan of Shs. 10,000,0000 at an interest of 5% per month on reducing balance

Loan is payable in five installments of the principle plus the monthly interest

LOAN REPAYEMENT SCHEDULE FOR MIREMBE RESTAURANT P.O BOX 1112 KAMPALA

OPPORTUNITY BANK KAMWOKYA ROAD BRANCH

LOAN REPAYMENT SCHEDULE FOR MIREMBE MILLERS FOR SHS. 10,000, 000 AT 5% INTEREST RATE ON REDUCING BALANCES PAYABLE IN 5 EQUAL INSTALLMENTS

Month	Principal Payment	Interest (5%) on Outstanding Bal (Shs)	Total Repayment Shs	Balance Shs
1 ST	2,000,000	500,000	2,500,000	8,000,000
2 ND	2,000,000	400,000	2,400,000	6,000,000
3 rd	2,000,000	300,000	2,300,000	4,000,000
4 th	2,000,000	200,000	2,200,000	2,000,000
5 th	2,000,000	100,000	2,100,000	0
Total	10,000,000	1,500,000	11,500,000	

b). Cheque for use in business

Opportunity Bank

3001004
12080019

Date

Pay

.....
or order

Shillings..... UGX

Mirembe Millers

.....

3001004

12080019

c). Memo to the sales manager about the declining level of sales



MIREMBE MILLERS
Plot 20 Kampala Road P.O Box 1112 Kampala
MEMO

Date: 15th January 2015

From : Managing Director

To: Sales Manager

Ref: 15/01/SM/IC

We have noted with concern that our sales volume is continuously declining.

You are therefore requested to investigate the likely cause(s) and report to my office not later than 30th January 2015.

Thank you.

MirembeNamasole Wendy

Copied to; Production Manager

d). How to ensure quality in my business:

By/Through

- By checking on the quality of raw materials
- By checking on the quality the production process
- Monitoring the efficiency and effectiveness of human resources/labour
- Checking on the quality the products before sending them on the market
- The entrepreneur may also personally supervise to ensure quality production -deep personal involvement
- Setting up and adhering to the quality standards of the enterprise
- Employing skilled and experienced manpower
- Ensuring that good packaging materials are used
- Establishing good storage facilities
- Carrying out research into better production techniques
- Motivation of workers
- Cleanliness of the workers

2 NAMIIRO MARTHA'S

TRIAL BALANCE
AS AT 31st JANUARY2015

DETAILS	DEBIT (SHS)	CREDIT (SHS)
Cash in hand	3,600	
Cash at Bank	33,000	
Stock (01/01/2015)	63,000	
Debtors	24,000	
Returns in wards	1,500	
Creditors		30,000
Sales		168,000
Purchases	61,500	
Capital		44,700
Salaries	12,000	
Water and Electricity	1,800	
Postage	600	
Drawings	2700	
Furniture and Fittings	22,500	
Motor Van	105,000	
Loan		90,000
Rent received		3,600
Office Rent	5,100	
Total	336,300	336,300

**NAMIRO MARTHA'S
TRADING, PROFIT AND LOSS ACCOUNT
FOR THE MONTH OF JANUARY 2015**

PARTICULARS	AMOUNT(SHS)	AMOUNT(SHS)	AMOUNT(SHS)
Sales		168,000	
Less: Returns In Wards		<u>1,500</u>	
Net sales			166,500
Less: Cost of Sales			
Opening stock		63,000	
Add: Purchases	61,500		
	-		
Net purchases		<u>61,500</u>	
Cost of goods available for sale		124,500	
Less: Closing stock		<u>40,500</u>	
Cost of sales			<u>84,000</u>
Gross profit			82,500
Add: Incomes			<u>3,600</u>

Gross income		86,100
Less: operating expenses		
Salaries	12,000	
Water and electricity	1,800	
Postage	600	
Office rent	<u>5,100</u>	
Total operating expenses		<u>19,500</u>
Net profit		<u>66,600</u>

NAMIIRO MARTHA
BALANCE SHEET
AS AT 31ST JANUARY 2015

Particulars	Amount (Shs)	Amount (Shs)	Particulars	Amount (Shs)	Amount (Shs)
Capital	44,700		<u>Fixed Assets</u>		
Add: Net profit b/d	<u>66,600</u>		Furniture	22,500	
	111,300		Motor vans	<u>105,000</u>	
Less; Drawings	<u>2,700</u>				127,500
Capital owned		108,600	<u>Current Assets</u>		
<u>Longterm Liabilities</u>			Closing balance	40,500	
Loan		90,000	Debtors	24,000	
<u>Current Liabilities</u>			Cash in hand	3,600	
Creditors		30,000	Bank	<u>33,000</u>	
		<u>228,600</u>	Total current assets		<u>101,100</u>
					<u>228,600</u>

4. You have established a Pharmacy with other partners in a busy suburb.
- a). A fully prepared partnership deed should contain the following:
- Name and address of the business
 - Names and addresses of various partners
 - Mode of capital contribution including ratios
 - Duties and responsibilities of each partner
 - The profit sharing ratios
 - Modes of conflict resolution
 - The liability of each partner
 - Type of business to be carried out
 - Business location etc

b). Invoice for use in the business

ABACUS PHARMACY

P.O BOX 277 Kireka

Tel: 0775939300

Date.....

INVOICE

INVOICE No. 1000

LPO NO.....

To:

.....

NO	Description	Quantity	Unit Price	Amount
E&OE	Total			

Shillings

.....

Prepared by;

.....

.....

Sales Manager

c). Poster for the business

NEWNEW

ABACUS PHAMARCY
P.O BOX 100 KAMPALA Tel: 0758900200
Dealers in General Medical Supplies & Equipment's

✓ Abacus Pharmacy located in Kampala City Welcomes You.

✓ We have in Stock all types of medicines and medical equipment's

✓ Your Health is our pride

✓ Located on Plot 5- Kampala Road –Kampala City

HEALTH IS LIFE

HEALTH IS LIFE

d). Market Survey Guide

ABACUS PHAMARCY
P.O BOX 100 KAMPALA
Tel: 0758900200
“Dealers in General Medical Supplies & Equipment's”

QUESTIONNAIRE:

1. Name of customer..... Sex.....

2. Age..... residence.....

3. Occupation no. of children

4. Income (a) Low (b) medium (c) High.....

5. Do you buy drugs for home use? Yes..... No.....

6. If yes, where do you procure them from?

7. How did you come to know about the existence of the above facilities?

8. Have you ever procured drugs from Abacus Phamarcy?

9. If yes, how did you find our services?

10. What is your comment about our prices?

11. Any information you wish to share with us

Thank you for your cooperation

Qn. 4. (a)

Mr. Kibicho's
THREE COLUMN CASH BOOK
for the month of January 2015

DR.						CR					
Date	Details	F	Disc allowed	Cash	Bank	Date	Details	F	Disc allowed	Cash	Bank
2015			Shs	Shs	Shs	2015			Shs	Shs	Shs
Jan 1st	Balance b/d			580		Jan 1st	Balance b/d				14,700
2nd	Capital				10,000	3 rd	Office furniture				7,800
4th	Sales	C		2,200		5 th	Bank			2,000	
5th	Cash				2,000	6 th	Ngudi	c	20		780
8th	Sales			5,000		6 th	Tharao		60		2,340
15th	Bank			4,000		6 th	Makuyu		100		3,900
18th	Gichuki		40		760	12 th	Motor expenses			770	
18th	Chemutai		70		1,330	15 th	Cash	c			4,000
18th	Kombo		110		2,090	16 th	Drawings			1,200	
22nd	Kaugu			2,040		20 th	Salaries			2,100	
28th	Cash				7,750	26 th	Insurance				500
31st	Balance c/d				59,290	28 th	Bank			7,750	
						31 st	Motor van				49,200
						31 st	Balance c/d			200	
			220	13,820	83,220				180	14,020	83,220
	Balance b/d			200			Balance b/d				59,290

General Ledger

Dr.	Discount Allowed A/C	Cr
2015	Shs	Shs
Jan	Sundry discount	
31 st	(debtors) 220	

Dr.	Discount Received A/C.....	Cr
2015	Shs	Shs
	Jan	Sundry
	31st	discounts
		180

Qn.5. You operate a Shoe Care Centre in a rapidly growing town.

a). Letter of inquiry to a potential supplier

BART SHOE CARE CENTRE (BSCC)
P.O. BOX 1093 MASINDI
TELEPHONE 0756444222/07016444222
“Dealers in Shoe Repairs and Sales”

Date: 20th January 2015

Our ref: BSCC/8/15

Your ref:

The Purchase Manager
Basaijja Balaba Hides and Skins
P.O. Box 15, Masindi

Dear Sir/Madam

RE: INQUIRY ON THE AVAILABLE HIDES & SKIN PRODUCTS

BART SHOE CARE CENTRE (BSCC) is a newly established shoe care centre business located on Abwoli Road, Masindi District.

We are interested in stocking your products.

The aim of this communication is to request you to avail us with the necessary details of the items you have in stock. This should include but not restricted to prices, terms of sale and terms of delivery.

We look forward to receiving your positive response.

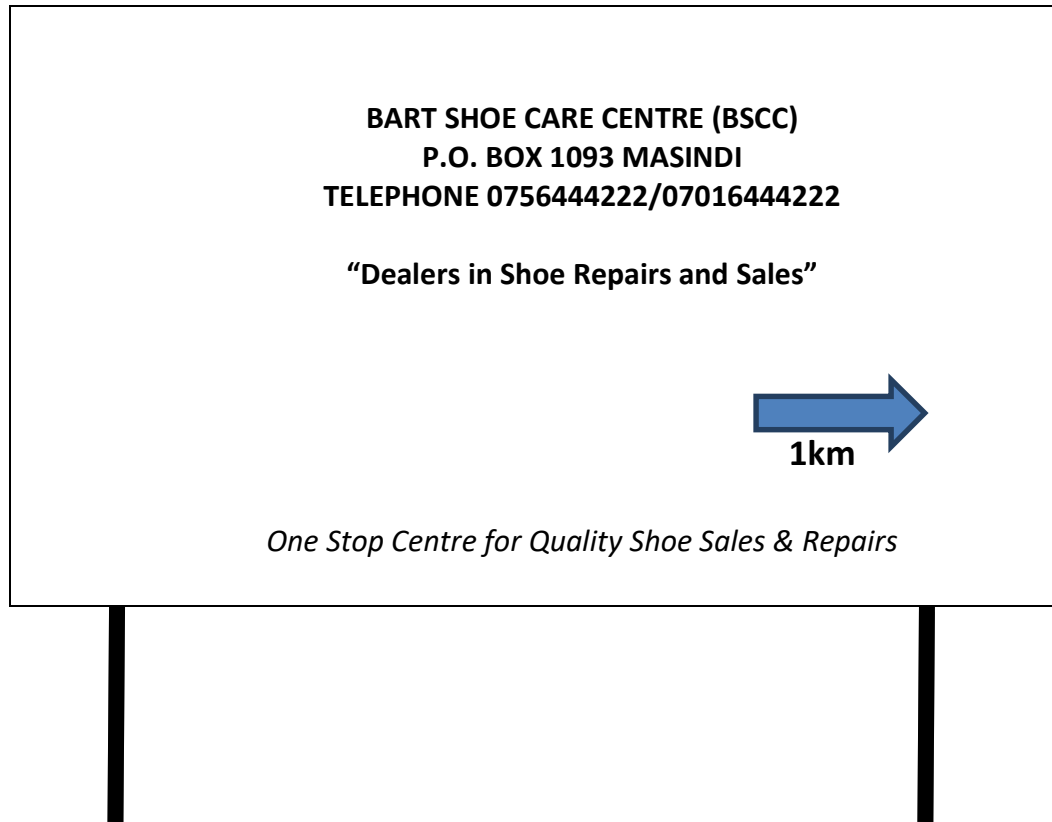
Yours faithfully

.....
Purchases Manager

C.C. The Managing Director
Bart Shoe Centre

Enc.

b). Sign post



c). Factors to consider when selecting the means of transport to be used in the business

- ✓ Availability and safety of the mode
- ✓ Cost of transport
- ✓ Nature of good to be transported
- ✓ Size of the load
- ✓ Distance to cover
- ✓ Value of goods to be transported
- ✓ Flexibility of the mode
- ✓ Speed and agency

THE REPUBLIC OF UGANDA

A CONTRACT FOR SALE OF GOODS

BETWEEN

Basaijja Balaba Hides and Skins
P.O. Box 15, Masindi
(SELLER)

AND

BART SHOE CARE CENTRE (BSCC)
P.O. BOX 1093 MASINDI, TELEPHONE 0756444222/07016444222

(BUYER)

Today the 18th January 2015, the above parties enter into contract for the sale of hides and skins under the following terms:

- a. Bashaijja Hides and Skin will supply leather products on credit
- b. Bart Shoe Care Centre will be expected to pay for the products within 14 working days from the day of delivery
- c. The leather products will be supplied as stated in the order forms from time to time
- d. The supplies will be delivered by the seller to the buyers premises
- e. The payments will be by cheque.
- f. The nature of leather products shall be good quality.
- g. In case goods, are delivered in bad conditions the buyer will be free to return them to the seller.

Witnessed by: Bart Ssemulema
Purchasing Officer
Bart Shoe Centre

Ben Bash
Sales Manager
Bashaijja Hides and Skins

Award any 5 points for 2 marks each 5x2 =10 marks (block marks)

END