

SET 1

Entrepreneurship Education 845/1

PAPER I

2016

2 HOURS 30 MINUTES

INSTRUCTIONS

- Answer only 4 (four) questions
 - All questions carry equal marks
 - Credit will be given for use or relevant diagrams/illustrations
1. You have established a Pharmacy as a sole trader in very busy town.
 - a). Design an Invoice for use in the business **(6marks)**
 - b). Write a poster for the business **(7marks)**
 - c). Design a questionnaire for business use **(5marks)**
 - d). Explain the various ways in which you will motivate your workers **(7 marks)**
 2. You are provided with the following balances of Birungi and Kitimbo Enterprises as at 31st December 2014

<u>Item</u>	<u>Amount (Shs)</u>
Motor Vehicles	3,200,000
Bank Loan	2,000,000
Stock of Goods	2,400,000
Credit	1,600,000
Debtors	1,800,000
Bank overdraft	800,000
Cash at Hand	1,200,000
Buildings	4,000,000
Furniture & Fittings	4,320,000
Accrued Rent	300,000

Required:

- a). Compute the business capital (3 marks)
b). Present a balance sheet for Birungi and Kitimbo Enterprises as at 31st December 2014 (12 marks)
c). Calculate
i. Current Ratio (3 marks)
ii. Quick Ratio (4 marks)
iii. Capital Employed (3 marks)

3. You have established a Sugar factory in your home village as a limited liability company.

- a). Prepare a purchase order for 10 trucks of sugar canes (6 marks)
b). Design a share certificate to be issued to the shareholders (7 marks)
c). What factors do you consider when selecting the advertising media to be used in your business? (5 marks)
d). Explain the factors you considered before choosing the location of your business (7 marks)

4. Kilimanjaro Enterprises commenced commercial business on 1st January 2015 with cash of Shs. 600,000. In the course of the month the following transactions took place.

- 2nd Jan. bought goods by cash Shs. 400,000 receiving a discount of 10%
- 4th Jan. bought furniture by cash Shs 100,000
- 6th Jan. paid carriage by cash Shs. 20,000
- 9th Jan. Cash sales Shs 120,000 allowing a discount of 5%
- 12th Jan. Banked Shs 150,000
- 14th Jan. Sold goods by Cheque Shs 95,000 allowing a discount of 5%
- 16th Jan. Cash Sales Shs 50,000
- 17th Jan. Paid electricity by Cheque Shs 20,000
- 19th Jan. Sold goods for cash Shs. 100,000
- 20th Jan. purchased goods by Cheque Shs. 30,000 receiving a discount of 2%
- 21st Jan. Bought stationery by cash Shs 15,000
- 23rd Jan. withdrew from the bank Shs. 75,000 for business use
- 24th Jan. paid wages by Cash Shs. 15,000
- 30th Jan. Withdrew from the bank Shs. 25,000 for private use

Required

a). Present a three column cash book for Kilimanjaro Enterprises to record the above transactions **(20 marks)**

b). Extract the general ledger account, to record the discount for the month

(5marks)

5. You have specialized in the business by providing insurance services to your clients.

a). Write a letter of inquiry to a potential supplier of office materials**(6 marks)**

b). Describe the steps your customers must follow when taking up an insurance policy **(5 marks)**

c). What factors would you consider when selecting the means of transport to be used in your business **(7 marks)**

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

(7 marks)

END.