**SET 2**

**Entrepreneurship Education 845/1**

**Paper 1**

**2016**

**2 Hours 30 Minutes**

**Instructions:**

* Answer only 4(four) questions
* All questions carry equal marks
* Credit will be given for use of relevant diagrams and illustrations

1. You have secured a loan of Shs. 10,000,000 at an interest of 5% per month on reducing balance. The Loan is payable in five installments of the principle plus the monthly interest. This loans is to be used to expand your restaurant.

a). Prepare a loan repayment schedule (10 marks)

b). Design a cheque leaf to be used in your business (5 marks)

c). How do you ensure quality in your business (5 marks)

1. Ms. Namiiro Martha has given you the following balances extracted from her books at 30th January 2015.

**Item Amount(shs)**

* Cash in Hand 3,600
* Cash at Bank 33,000
* Stock 1/1/2015 63,000
* Debtors 24,000
* Creditors 30,000
* Returns inwards 1,500
* Sales 168,000
* Purchases 61,500
* Capital 44,700
* Salaries 12,000
* Water &Electricity 1,800
* Postage 600
* Drawings 2,700
* Stock (30/01/2015) 40,500
* Furniture & Fittings 22,500
* Motor Van 105,000
* Loan 90,000
* Rent Received 3,600
* Office Rent 5,100

**Required:**

1. From the above prepare her Trial balance as at 30th January 2015 (7 marks)
2. Prepare her Trading Profit & Loss Account for the period ended 31st December 2015. (10 marks)
3. Prepare her Balance Sheet as at 30th January 2015 (8 marks)
4. You have established a Pharmacy with two other partners in a busy town
5. Prepare a partnership deed for your business (7 months)
6. Design an invoice for use in the business (6 months)
7. Design a poster for the business (5 marks)
8. Design a market survey guide for business use (7 marks)
9. Write up three column cash book for M. Kibicho from the details below and then balance off at the end of the month and show the discount accounts in the general ledger.

2012

May 1st balance b/f cash in hand shs 580

Bank over draftshs 14,700

2nd Kibicho pays more capital into bank Shs 10,000

3rd Bought office fixtures by chequeShs. 7800

4th Cash sales Shs. 2200

5th Banked cash Shs. 2000

6th paid the following by cheque in each case deducting 2.5% cash discount: B. NgundiShs. 800, T. ThoraoShs 2400, MukuyuShs. 4000

8th Cash sales 5,000

12th paid motor expenses in cash Shs. 770

15th Cash Withdrawal from the bank Shs. 4000

16th Drawings Shs. 1200

18thThe following firms paid their accounts by cheque in each case deducting a 5% discount E. GichukiShs 800, B. Chemutalshs. 1400, D. KomboShs. 2200

20th Salaries paid in cash Shs 2100

22ndKaungu paid his account in cash Shs 2040

26th Paid insurance by chequeShs. 1500

28th Bought motor vanpaying by chequeShs. 49,200

1. You operate a shoe care workshop in a rapidly growing town

a). write a letter of inquiry to a potential supplier (6 marks)

b). Design a sign post for your business (5 marks)

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

d). Draft a contract for the sale of your products to a credit customer (7 marks)

**END**