**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)**

1. You are provided with the following balances of Birungi and Kitimbo Enterprises as at 31st December 2014

**Item Amount (Shs)**

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 **(3marks)**

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.

* 2ndJan. bought goods by cashShs. 400,000 receiving a discount of 10%
* 4thJan. bought furniture bycashShs 100,000
* 6thJan. paid carriage bycashShs. 20,000
* 9thJan. Cash sales Shs 120,000 allowing a discount of 5%
* 12thJan. Banked Shs 150,000
* 14thJan. Sold goods by ChequeShs 95,000 allowing a discount of 5%
* 16thJan. Cash Sales Shs50,000
* 17thJan. Paid electricity by ChequeShs 20,000
* 19thJan. Sold goods for cash Shs. 100,000
* 20thJan. purchased goods by ChequeShs. 30,000 receiving a discount of 2%
* 21stJan. Bought stationery by cash Shs 15,000
* 23rdJan. withdrew from the bank Shs. 75,000 for business use
* 24thJan. paid wages by Cash Shs. 15,000
* 30thJan. 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.**