**845/1**

**ENTREPRENEURSHIP**

**EDUCATION**

Paper 1

Jul/Aug 2019

2 ½ Hours



**MUKONO EXAMINATION COUNCIL**

**Uganda Certificate of Education**

**ENTREPRENEURSHIP EDUCATION**

Paper 1

2 Hours 30 Minutes

**INSTRUCTIONS TO CANDIDATES**

*Answer only* ***four*** *questions*

*All questions carry equal marks*

*Credit will be given for use of relevant diagrams and illustrations.*

*Any additional question(s) answered will* ***not*** *be marked.*

1. You have been employed as a Finance Manager in a SACCO in Jinja town.
2. Design a cheque to be used in your SACCO ***(06 marks)***
3. How will the SACCO benefit the members in the community? ***(07 marks)***
4. Write down guidelines to be followed before giving out loans. ***(07 marks)***
5. Draw a programme for recovering dues from debtors in your SACCO. ***(05 marks)***
6. Ibanda bought 20 boxes of powdered milk each at shs 40,000. He later sold each box at a profit of shs 5,000 each.

a) Compute to the entrepreneur;

(i) Sales value ***(03 marks)***

(ii) Input VAT ***(03 marks)***

(iii) Output VAT ***(03 marks)***

(iv) VAT payable to URA ***(03 marks)***

b) State any five (5) advantages of indirect taxes. ***(05 marks)***

c) State reasons why people resist payment of taxes. ***(04 marks)***

d) Suggest ways of improving on the revenue collected by the tax authority. ***(04 marks)***

1. You are a general manager of a bakery which is operating as a partnership.

a) Write a notice inviting all shareholders to an annual general meeting. ***(06 marks)***

b) Write down a partnership deed for the formation of your business. ***(08 marks)***

c) Under what circumstances may a new partnership be formed? ***(06 marks)***

d) Draw a chain of distribution of your goods. ***(05 marks)***

1. Tibakyenda general enterprises had the following records for the month of June 2015.

2015 June 7, 2019

1st cash balance shs 58,000

1st Bank overdraft shs 147,000

3rd further capital paid into the bank shs 10,000

4th bought furniture by cheque shs 78,000

6th cash sales shs 2,200

7th Banked cash shs 2,000

10th cash sales to date shs 5,000

12th paid motor expenses in cash shs 7,700

14th cash withdrawn from the bank shs 4,000

18th salaries paid cash shs 2,100

20th paid insurance by cheque shs 1,500

26th cash drawings shs 12,000

28th cash sales by cheque shs 15,400

a) Write up a cashbook using the information above. ***(18 marks)***

b) Transfer the entries to the relevant ledger accounts. ***(07 marks)***

1. The following trial balance was extracted from the books of Mujobe General Traders as at 31st December 2018.

|  |  |  |
| --- | --- | --- |
| **Details** | **Debits (shs)** | **Credit (shs)** |
| Sales |  | 128,000 |
| Purchases | 90,000 |  |
| Returns inwards | 6,000 |  |
| Returns outwards |  | 5,000 |
| Carriage inwards | 10,000 |  |
| Stock (1st Jan, 2018) | 28,000 |  |
| Rent | 4,000 |  |
| Advertising | 8,000 |  |
| Premises | 122,000 |  |
| Machinery | 75,000 |  |
| Debtors | 18,000 |  |
| Creditors |  | 31,000 |
| Bank loan (2 years) |  | 60,000 |
| Cash in hand | 14,000 |  |
| Cash at hand | 27,000 |  |
| Drawings | 10,000 |  |
| Discount allowed | 5,000 |  |
| Discount received |  | 6,000 |
| Commission received |  | 20,000 |
| Capital |  | 190,000 |
| Carriage outwards | 8,000 |  |
| Wages and salaries | 15,000 |  |
| **Total** | **440,000** | **440,000** |

Stock at 31st December, 2018 shs 48,000

**Required;**

a) Calculate the following;

(i) Cost of sales ***(04 marks)***

(ii) Gross profit ***(03 marks)***

(iii) Net profit ***(03 marks)***

(iv) Current ratio ***(03 marks)***

b) Extract a balance sheet as at 31st December, 2018 ***(12 marks)***

* ***End -***