P230/2

**Entrepreneurship Education**

**Paper 2**

July/August, 2019

3 hours



WESTERN JOINT MOCK EXAMINATIONS

Uganda Advanced Certificate of Education

Entrepreneurship Education

**Paper 2**

3 hours

**INSTRUCTIONS TO CANDIDATES**:

* Answer **four** questions only
* **All** questions carry equal marks
* Untidy work may be penalized
* Any additional question(s) answers will not be marked.

1. You are a general manager of a business dealing in the manufacture of liquid soap.
2. Propose rules and regulations for ensuring proper code of conduct for your employees (7 marks)
3. Write a debit note to be used when correcting an undercharge on customers invoice (06 marks)
4. Prepare guidelines to ensure proper inventory management (06 marks)
5. Write a termination letter to an incompetent employee. (06 marks)
6. You have acquired a loan worth shs.60,000.000 for establishing a new branch of your metal works project. The loan is payable in six equal monthly instalments at a monthly interest of 2% on reducing balance methods.
7. Prepare a loan repayment schedule (07marks)
8. Prepare an action plan for the business expansion. (06marks)
9. Develop a week’s work schedule for your employees (06 marks)
10. Formulate guidelines for proper loan management. (06 marks)
11. You have revived your meat packing factory by restocking the farm, installing new machinery and recruiting of new employees.
12. Write a notice inviting share-holders for a meeting to discuss the future prospects of the revived factory. (06 marks)
13. Design a programme for the induction of the newly recruited employees.   
     (07 marks)
14. Formulate guidelines to ensure cost minimization and profit maximization. (06 marks)
15. Design a new stock card for proper stores management of your products.   
     (06 marks)
16. You are operating a large scale bookshop in the centre of your town. You offer both cash and credit sales.
17. Formulate guidelines for selling goods on credit. (07 marks)
18. Make a radio advert to publicize your products. (05 marks)
19. Develop a business card for a sales manager. (06 marks)
20. Prepare a plan for taking an insurance policy. (07 marks)
21. The information below is extracted from the books of Kampala Traders Ltd as at 31/12/2016

|  |  |  |
| --- | --- | --- |
| Details | shs |  |
| Cash | 8,000 |  |
| Capital | 15,700 |  |
| Furniture | 30,000 |  |
| Debtors | 20,000 |  |
| Machinery | 12,000 |  |
| Creditors | 13,000 |  |
| Sales | 90,000 |  |
| Purchases | 75,000 |  |
| Stock 1/1/2016 | 10,000 |  |
| Insurance | 2,000 |  |
| Commission received | 8,000 |  |
| Returns inwards | 2,000 |  |
| Carriage on sales | 1,000 |  |
| Rent | 4,000 |  |
| Returns outwards | 4,000 |  |
| Discount received | 33,300 |  |

Additional information;

(a) Stock 31/12/2016 shs.30,000

(b) Rent accrued 500

(c) Insurance amounting shs.200 Pre-paid

(d) Make a provision for bad debts of 5% p.a

(e) Depreciate machinery by 5% p.a

(f) On the day of stock taking to close the trading period cash shs.2000  
 was taken by the entrepreneurs for personal uses.

*Required;*

1. Draft a trial balance for Kampala Traders Ltd (06 marks)
2. Prepare the Trading profit and loss account and the balance sheet as at that date. (19 marks)

N.B:(use vertical format only).

1. Messy holdings Ltd employs Jossy, Kentah, Goddy, Ketra and Moddy earning monthly income of shs.300,000, shs.400,000, shs.580,000, shs.610,000 and shs.700,000 respectively.

|  |  |
| --- | --- |
| **Monthly income (Shs)** | **Tax liability** |
| 0- 235,000  235,000 – 335,000  335,000 – 410,000  410,000- 10,000,000 | Nil  10% of the amount by which chargeable income exceeds shs. 235,000  Shs. 10,000 plus 20% of the amount by which chargeable income exceeds 335,000.  Shs. 25,000 plus 30% of the amount by which chargeable income exceeds shs,. 410,000 |

1. Calculate the income tax payable by:
2. Jossy (03 marks)
3. Kentah (03 marks)
4. Goddy (03 marks)
5. Ketra (03 marks)
6. Moddy (03 marks)

(b) Given the Value Added Tax (VAT) rate as 18%, Calculate the VAT charged at each

stage in the table below:- (10 marks)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Stage** | **Activity** | **Purchase price (shs.** | **Selling price (shs)** | **VAT payable (shs)** |
| (i) | Producer | 80,000,000 |  |  |
| (ii) | Producer to wholesaler | 80,000,000 | 96,000,000 |  |
| (iii) | Wholesaler to  retailer | 96,000,000 | 120,000,000 |  |
| (iv) | Retailer to final consumer | 120,000,000 | 160,000,000 |  |
| (v) | Final consumer | 160,000,000 |  |  |

**END**