**UGANDA ENTREPRENEURSHIP EDUCATION TEACHERS’ ASSOCIATION (UEETA)**

**A’ LEVEL ENTREPRENEURSHIP EDUCATION (P230)**

**SEMINAR QUESTIONS – 4TH JUNE 2022**

**PART I : SECTION A – PAPER ONE – P230/1**

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| 1 | (a) | (i) | Who is an entrepreneur? |
|  |  | (ii) | State any three factors that limit entrepreneurs from adopting change in their businesses. |
|  | (b) |  | Mention any four reasons for ensuring proper financial record keeping in business. |
|  | (c) | (i) | Distinguish between entrepreneurial environment and entrepreneurial culture. |
|  |  | (ii) | Outline any two economic environment factors that affect entrepreneurship. |
|  | (d) | (i) | Define the term feasibility study. |
|  |  | (ii) | Give any three benefits of carrying out a feasibility study before starting a business. |
|  | (e) |  | List any four adverse effects of business competition to an entrepreneur. |

**PART II: SECTION B – PAPER ONE – P230/1**

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| 2. | (a) | Describe the various managerial skills of an entrepreneur. |
|  | (b) | Advise an entrepreneur on the relevance of observing business ethics. |
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| 3. | (a) | Explain the sources of business ideas available for entrepreneurs. |
|  | (b) | Describe the procedure of turning a business idea into a product / a business opportunity. |
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| 4. | (a) | Examine the factors that affect the level of profits for a business. |
|  | (b) | Advance the strategies for increasing profits in business. |

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| 5. | (a) | What contents should be included in a business plan? |
|  | (b) | Why should an entrepreneur prepare a business plan? |
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| 6. | (a) | Discuss the various methods of costing a product used by entrepreneurs. |
|  | (b) | Explain factors that may lead to production of low quality products in an enterprise. |
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| 7. | (a) | Explain the different tasks of a Human Resource Manager of an organisation. |
|  | (b) | How can a Human Resource Manager reduce labour turnover in an organisation? |
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| 8. | (a) | Discuss the marketing techniques and strategies used by entrepreneurs in Uganda. |
|  | (b) | Describe the basis of market segmentation by entrepreneurs. |
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| 9. | (a) | Explain the principles of a good tax system. |
|  | (b) | Assess the impact of taxation on entrepreneurial activities in Uganda. |
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**PART III: PROJECT MANAGEMENT – PAPER TWO (P230/2)**

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| 10. | You plan to start a bakery in your community. | |
|  | (a) | Formulate the bakery’s;   1. Vision statement, 2. Mission statement, 3. Objectives. |
|  | (b) | Prepare a programme for determining the profitability of the business opportunity. |
|  | (c) | Advertise the post of a Human Resource Manager. |
|  | (d) | Develop guidelines for promoting innovations in the business. |
| 11. | You are the owner of a poultry farm that attracts a large number of daily customers. You sell both on cash and credit basis. | |
|  | (a) | Make a daily distribution schedule for your products. |
|  | (b) | Write an invoice for a customer who has purchased your products. |
|  | (c) | Develop a cash management policy for your business. |
|  | (d) | Draft a budget for working capital requirements for the business. |
|  |  |  |
| 12. | You are operating a shoe making factory in your home town. You even make products on special orders. | |
|  | (a) | Design a work order form for the business. |
|  | (b) | Formulate guidelines for developing an effective marketing strategy. |
|  | (c) | Draw a plan for conducting personal selling. |
|  | (d) | Create strategies for ensuring good customer care in the business. |
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| 13. | You have taken over the ownership of a metal fabrication business whose sales have declined. | |
|  | (a) | Write a memo to the sales staff to attend an urgent meeting to discuss ways of promoting sales. |
|  | (b) | Draw instructions for managing workers’ welfare. |
|  | (c) | Prepare a human resource plan for your business. |
|  | (d) | Design a market survey guide for the business. |
|  |  |  |
| 14. | You have established a furniture project in your home area. You have received an inquiry from a customer. | |
|  | (a) | Identify the sources of recruitment the business will utilize. |
|  | (b) | Develop a price list for the customer. |
|  | (c) | Present the social responsibilities of your project. |
|  | (d) | Write an appreciation letter to the best employee of the year. |

**PART IV: FINANCIAL MANAGEMENT – PAPER TWO (P230/2)**

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| 15. | The following projections belong to serox traders for the months of May, June and July, 2020. | |
|  | (i) | Credit purchases per month expected to be worth shs.6,000,000. |
|  | (ii) | Monthly cash sales are expected to be shs.10,000,000. The sales are expected to decrease monthly by 10%. |
|  | (iii) | Monthly planned cash purchases are expected to amount to 90% of each month’s cash sales. |
|  | (iv) | Commission income for the month of April 2020 to be shs.5,000,000 and this is projected to increase each month by 10%. |
|  | (v) | Credit sales per month projected to be shs.6,000,000. Payments from the debtors would be received in the following month. |
|  | (vi) | The business plans to purchase a minibus worth shs.16,000,000 on hire purchase in May and pay a down payment of shs.5,000,000. The balance to be paid in the following months in the ratio 3:2 respectively. |
|  | (vii) | Salary expenses at the end of each month to amount shs.400,000 per worker. The business had 10 workers in May. The business new policy is to increase the number of workers each month by 2 at the same salary rate. |
|  | (viii) | The business plans to finance any cash flow short fall at the end of each month by obtaining a loan from Quality Bank in the following month. |
|  | (ix) | The bank loan will attract a monthly interest rate of 5% payable starting in the month following acquisition. |
|  | (x) | Monthly commission to be paid to sales workers shall be 5% of each month’s cash sales. |
|  | (xi) | The business had a cash balance of shs.475,000 on 30th April 2020. |
|  | (xii) | Depreciation expenses per month projected to be shs.300,000. |
|  | (xiii) | Monthly cash donations projected to be shs.2,000,000. The business plans to donate food items of the same value in the month of July 2020. |

**Required:**

1. Prepare a monthly cash budget for the months of May to July 2020.
2. Comment on the trend of the net cash position.

16. The following is a summarised income statement extracted from the books of Mambo Bado Enterprises for the financial year ended 31.12.2019.

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| --- | --- | --- |
|  | **Shs.** | **Shs.** |
| Sales |  | 40,000,000 |
| Less returns inwards |  | 500,000 |
| Net sales |  | 39,500,000 |
|  |  |  |
| Less cost of sales: |  |  |
| Opening stock (01/01/2019) | 10,000,000 |  |
| Add net purchases | 34,380,000 |  |
| Goods available for sale | 44,380,000 |  |
|  |  |  |
| Less closing stock | 12,000,000 |  |
| Cost of sales |  | 32,380,000 |
| Gross profit |  | 7,120,000 |
|  |  |  |
| Less operating expenses |  | 5,210,000 |
| Net profit |  | 1,910,000 |

The following balances were also provided.

Total current assets shs.13,232,000

Total fixed assets shs.6,000,000

Total current liabilities shs.1,222,000

Total creditors shs. 700,000

1. Compute the value of;
2. Gross profit as a percentage of cost of sales.
3. Employed capital
4. Calculate and interpret.
5. Working capital ratio
6. Acid test ratio
7. Credit payment period in weeks
8. Rate of stock turn
9. Gross profit margin

17(a) The following tax payers provided you with their annual taxable incomes and annual taxes.

|  |  |  |
| --- | --- | --- |
| Tax payer | Annual taxable income (Shs) | Tax paid (Shs) |
| Tajiri | 177,000,000 | 10,620,000 |
| Masikini | 141,600,000 | 8,496,000 |

Required to compute each tax payer’s tax rate.

(b) Blessed Enterprises Ltd had the following VAT inclusive transactions with other VAT registered businesses in a given month.

|  |  |  |
| --- | --- | --- |
| **Product** | **Purchases (Shs)** | **Sales (Shs)** |
| Shoes | 29,500,000 | 47,200,000 |
| Clothes | 70,800,000 | 106,200,000 |

Required to compute the following;

1. VAT paid on each product for the month.
2. Total VAT the enterprise paid to URA for the products.
3. Sales value of clothes (VAT exclusive)
4. The following VAT exclusive transactions were carried out by VAT registered businesses at various stages of distribution for the month of May 2020.

I Super traders bought goods worth shs.9,000,000.

II Super traders sold all the goods to Ben for shs.14,000,000.

III Ben sold the same goods to Joy, a retailer at shs.20,000,000.

IV Joy sold all the goods to a final consumer at shs.28,000,000.

Required;Using a VAT rate of 18%,

1. Calculate VAT chargeable at each stage.
2. Determine the gross sales value the consumer paid for the goods.

**PART V: PAPER THREE SECTION A: CASE STUDY**

18. Read the case study below and answer the questions that follow.

In 2021 **EKAND INVESTMENT** dealing in fish maws was established in Kevina village, Nsambya to address the adverse effects of COVID-19 pandemic on individual income and welfare. With business objective of profit maximisation, the co-owners employed Mr. Hakuna Matata to manage the enterprise because he has a long experience in domestic and international business since the enterprise serves both local and foreign markets.

On assuming office, Mr. Hakuna Matata was informed that the community in which the enterprise is located has the mentality of stealing business assets for sale to make quick money. As a result, he immediately put in place controls to safeguard the assets.

With a high ambition to make huge profits, Mr. Hakuna Matata set a target of minimising operational costs and increasing sales. He has ensured the products are of good quality to command attractive prices domestically and externally due to high demand since the products are a necessity for the users. He uses appropriate distribution channels which make the products easily accessible to customers, hence he puts in less effort to realise sales due to low level of competition.

However, two years down the road, Mr. Hakuna Matata still conceals information about the business hence he has not met tax obligations due to fear of high tax rates and many taxes the business is to pay. The domestic market has also registered many bad debts since sales promotion activities undertaken involve among others offering credit facilities.

1. Why do you think Mr. Hakuna Matata is a corporate entrepreneur?
2. Suggest to Mr. Hakuna Matata;
3. Sources available for obtaining confidential report on buyer’s credit worthiness.
4. Strategies to use to induce his debtors to pay promptly for credit sales he made.
5. How do you think Mr. Hakuna Matata controls the physical assets in the enterprise?
6. What factors influence sales in the business?
7. Mention forms of non-tax compliance Mr. Hakuna Matata may be practicing in the enterprise.

**SECTION B: SCHOOL BUSINESS CLUB**

19. With reference to a business project started and managed by your School Entrepreneurship Club:

1. describe the enterprise
2. how did you pay personal attention to your customers?
3. outline the strategies you employed to avoid business failure.
4. explain the appropriate measures you used to maintain the quality of purchases in your enterprise.
5. what marketing activities did you carry out?

20. In relation to a business enterprise managed by your School Entrepreneurship Club;

1. mention the type of business and its products / services.
2. describe the procedures you followed when analyzing a risk situation.
3. identify any five administrative costs incurred by your enterprise.
4. what essential elements of purchasing did you observe in the business?
5. how did club executives improve on the welfare of the members?

**SECTION C: FIELD ATTACHMENT AND FIELD TRIP**

21. For any field attachment you carried out:

1. present the background of the business.
2. explain the precautionary measures being taken in the enterprise to prevent the adverse effects of the business on the natural environment.
3. mention the ways in which the entrepreneur ensures proper lighting in the enterprise.
4. what are the likely causes of employee indiscipline to guard against in the business?
5. advise the business owner about the importance of being tax compliant.

22. For a business field trip you made as an individual or a group:

a) (i) Outline the objectives of the business field trip.

(ii) Mention the products / services of the enterprise.

(iii) Advise the owner of the business about attributes of an

appropriate physical layout.

b) Describe social responsibilities of the business.

c) What factors determine stock levels in the enterprise?

d) Identify the techniques the proprietor employs to avoid accidents in the enterprise.

e) How does the entrepreneur minimise losses in the business?

**END**