**JINJA JOINT EXAMINATIONS BOARD**

**MOCK EXAMINATIONS**

**MARKING GUIDE 2019**

**P230/2 ENTREPRENEURSHIP**

1. (a) A questionnaire for establishing the causes of indiscipline among

employees should include:-

1. Title /Heading i.e Name and address of the business, questionnaire for establishing causes of indiscipline among employees.

Purpose for administering the questionnaire.

(iii) Questions should be developed basing on the causes of indiscipline among supervisors/managers

* Defective work habits among bosses
* Inadequate work rules and failure to publish them.
* Communication gaps between supervisors and employees.
* Excessive dictatorship.
* Delay in paying workers
* Inadequate monitoring and supervision
* Not knowing all the employees at work
* Unfair punishments to workers
* Etc.

Mark allocation

Title/Heading (01 mark)

Questions 6x1 = 06 marks)

07 marks)

(b) A job application form to be used in recruitment of new employees should show:-

(i)Name and address of the business

(ii)Document identity i.e Job application form.

1. Post /appointment applied for
2. Job reference number
3. Applicant’s bio data
4. Schools/colleges/Universities attended
5. Employment record
6. Posts held while at school
7. Personal interests/hobbies of the applicant
8. Convictions if any
9. Provision for Declaration of the applicant that information given is true.
10. Provision for candidates’ suitability for appointment to the posts applied for by Head of institution.
11. Frame
12. Form number
13. Business logo
14. Etc

Any 12x½ = 06 marks

(c) Staff rules and regulations to govern the discipline of factory employees should include:-

1. Title/Heading i.e Name and address of the business staff rules and regulations to govern the discipline of factory employees.
2. Employees shall avoid fraudulent acts like corruption, bribery, forgery etc.
3. Employees shall conduct themselves in a way that benefits the business.
4. Employees shall distinguish personal interests from business interest and in any case of conflict of interest, business interest shall always over-ride personal interests.
5. Employees are to use business property for only duties /activities related to the business.
6. Arrival and departure time for employees shall be 8:00a.m. and 5:00p.m respectively.
7. Employees shall always dress in an appropriate and descent manner at all times at the work place.
8. Love or intimate relationships among employees is not to be allowed in the enterprise.
9. Employees shall not be allowed to receive visitors during working hours at the work place.
10. Respect and obedience to supervisory and senior management staff is to be required of all employees in the enterprise.
11. Workers shall not be allowed at the business premises under the influence of alcohol and drugs.
12. Etc.

Mark allocation:-

Title/Heading – 01 mark

Any other 6x1 06 marks

(07 marks)

(d) New arrival book for employees should show:

Name and address of the business

Employee Arrival book.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| DAY | DATE | EMPLOYEE’S NAME | EMPLOYEES NUMBER | WORK DONE | ARRIVAL TIME | DEPARTURE TIME | SIGN |
|  |  |  |  |  |  |  |  |

Mark allocation

Title/Heading of book – 01 mark

Any other items 4x1 - 04 marks

05 marks

2. (a) A designed deposit slip should show:-

1. Name and address of the stucco
2. Name of the bank cash/cheque
3. Document name i.e deposit slip
4. Document number
5. Account number
6. Provision for purpose of deposit
7. Provision for the date
8. Currency denomination breakdown
9. Provision for amount in words
10. Provision for amount in figures
11. Depositor’s details
12. Provision for tellers/cashiers stamp and signature.
13. Frame

Any 12 x½ = 06 marks

2(b) Pre-operating expenses budgets for the SACCO

Name and address of the business pre-operating expenses budget.

Particulars Amount (shs)

Purchase of furniture xx

Purchase of computers xx

Installation of utilities i.e electricity xx

Purchase of means of transport i.e. bicycle/motorcycle xx

Business name registration xx

Recruitment and training of workers xx

Advertising xx

Utilities bills (electricity) xx

Total pre-operating expenses xxx

Mark allocation:

Title /Heading - 01 mark

Grand total -01 mark

Any fixed capital items 2x1 = 02 marks

Any working capital items 2x1 – 02 marks

06 marks

(c) A written letter to the district cooperative officer to officiate the launching of Sacco operations should show:

* Name and address of SACCO
* Other contacts i.e telephone number/ email address etc.
* Date of writing
* Our reference number
* Recipient i.e district cooperative officer of ………………District.
* Salutation ie Dear sir/madam
* Re: Invitation to officiate the launching of SACCO activities

Body showing -;

1. Reason for writing,
2. Physical location
3. Ownership of SACCO
4. Prosposed date and time for the launch
5. Etc

* Complementary close i.e your faithfully,

Sign ………………………..

Name ……………………..

* Attachment (if any)

Mark allocation

Body- 02 marks

Any other 8 itemsx½ 04 marks

06 marks

(d) Loan management policy guidelines should show;-

1. Title /Heading i.e Name and address of SACCO Loan management policy guidelines to be observed.
2. SACCO members/employees are to be trained in financial management skills by attending seminars and workshops.
3. The loans are to be properly documented in terms of commencement dates, principal installments, interest due and dates due as per repayment schedule.
4. The loan funds are to be used for the intended purposes only.
5. Trained and skilled labour is to be employed for proper record keeping and accountability.
6. The business is to be carefully managed to ensure it is profitable through supervision and monitoring of all activities
7. Insuring of business f business by taking out appropriate insurance policies against risks shall be done.
8. Etc.

Any 7x1 =07 marks

3. (a) A prepared marketing plan for the business should include:

1. Title/Heading i.e Name and address of the business marketing plan.
2. Products offered
3. Target market /customers
4. Sales and pricing strategy
5. Position of competitors
6. Distribution strategy
7. Sales promotion and advertising strategy
8. Expected sales value /volume
9. Expected marketing expenses.

**NB**: It should be prepared

Mark Allocation

Title- 01 mark

Any other 5x1 -05 marks

06 marks

(b) An advert to promote business products should include:-

* Name and address of the business
* Other contacts like Telephone numbers, email address or website address.
* Physical location of the business
* Products offered by the business
* Benefits of the product to customers
* Relevant illustration(s) or pictures or diagrams.
* Business logo
* Business slogan

Any 6x1 = 06 marks

(c) An invoice for business use should:-

* Contain the following details
* Name and address of the business
* Document name i.e invoice
* Document serial number pre-printed
* Provision for date
* Provision for customer’s name
* Break down about goods i.e

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S/No | Particulars | Quantity | Unit price (shs) | Amount(s) by |
| E&D.E | Total |  |  |  |

* Credit period allowed………………………………..
* Discount allowed……………………………………..
* Terms of delivery
* Terms of payment
* Provision for issued by …………………………Sign……………………….
* Goods received by …… sign………………………………………………….
* Frame .

Mark allocation

Any 10x – 05 marks)

(d) Policy guidelines for developing an effective marketing strategy should include:-

1. Heading i.e Name and address of the business policy guidelines for developing effective marketing strategy.
2. There shall be fair/appropriate fair pricing of business products.
3. Offering of discounts to large quantity buyers is to be done.
4. Effective communication about business products to customers shall be ensured.
5. Advertising of business products to customers over radios televisions and other media shall be regularly.
6. Negotiation over prices of goods between business and customers shall be allowed.
7. Products are to be displayed on raise platforms in glass windows etc for customers to see and develop interest in buying them.
8. Quality products are to be offered for sale.
9. Referals shall be used in marketing of business products.
10. Etc.

4. (a) (i) Cost of sales =Rate of turnover x Average stock

But a average stock = opening stock +closing stock

2

= 4,000,000+ 5,000,000

2

=Shs. 4,500,000

Cost of sales = 2.67 x 4500,000

=Shs.12,015,000

(ii)Goods available for sale = cost of sales + closing stock

= 12,015,000+ 4,000,000

= Shs. 16,015,000

(iii) Employed capital =Working capital + Total fixed assets

But working capital=Total current assets - Total current liabilities

=(4,000,000+1500,000+1,2000,000+1,300,000-(30,000,000+1,000,000

=shs 4,000,000

Employed capital = 4,000,000+8,000,000

=shs 12,000,000.

(b) (i) Net profit margin = Net profit x 100

Net sales

But Net profit =Gross profit –Total operating expenses.

But Gross profit = 40 x 20,000,000

100

=shs. 8,000,000

Net profit = 8,000,000-2,000,00

=shs 6,000,000

Net profit margin = 6,000,000 x 100

20,000,000

=30%

Interpretation: This means that out of every shs.100 of net sales a business obtained hs.30 as net profit.

Average credit period of days in a year

= creditors x Number of days in a year

Net purchases

But Net purchase = Goods Available for sale –opening stock

=16,015,000-5,000,000

= shs 11,015,000

Average credit period = 3000,000x365

11,015,000

= 99.4 days

Interpretation ; This implies that the business paid its creditors after 99 days.

(iii)Cash ratio = most liquid assets

Total current liabilities

= 2,500,000

4,00,000

=0.6:1

Interpretation: This implies that the business cannot pay its current liabilities using the most liquid assets

5. (a) Policy guidelines for ensuring quality products in the business may

include the following:

1. Title i.e Name and address of the business policy guidelines for ensuring quality products in the business.
2. Proper welfare of workers shall be ensured to motivate them to provide high quality services in the production processes.
3. Products shall be properly packaged to avoid contamination.
4. Machines shall be serviced regularly to ensure that they are in good mechanical condition during production process.
5. Workers are to be trained to improve their skills and efficiency in handling of production of gods.
6. Clears instructions shall be given to workers regarding the production process to avoid mistakes in production.
7. Constant and thorough research is to be carried out by the production departtment.
8. High quality raw materials and inputs are to be used.
9. Specialized and high skilled personnel shall be employed in the production department.
10. Proper technical specification shall be followed.
11. Appropriate distribution channels shall be used to ensure that quality of the products is not comprised.
12. There shall be maximum supervision and monitoring of workers to avoid mistakes in the production process.
13. Etc.

Any 7x1= 07marks

NB including title

(b) A debit note to correct the errors of under charge on customers’

invoice should include:

1. Name and address of the business
2. Date of writing
3. Document name i.e debit note
4. Document number
5. Name and address of the customers who was under charged.
6. Details of wrong invoicing and invoice number.
7. Correct amount
8. Apology i.e Error regretted.
9. Etc.

Any 5x1 =05 marks)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name and address of the business  DAILY WORK SCHEDULE FOR THE WORKERS | | | | | | |
| Name of Employee | Employee Number | Work to be done | Starting time | Ending time | Work order | Remarks |
|  |  |  |  |  |  |  |

Prepare by: Approved by

Sign …………………………………. Sign……………………….

Name …………………..filled in Name ……………………

Title …………………………………….. Title …………………………..

Any 6x1 = 06 marks)

(d) Name and address of the business

plan for recovering money from business debtors.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| step | Time frame | Activity | Person in charge | Remarks |
| 1 |  | Identification of debtors and collection of all record on debtors |  |  |
| 2 |  | Arranging debtor’s records according to credit period, assessing and allocating persons responsible to the credit customers. |  |  |
| 3 |  | Preparing and dispatching debt reminders to debtors/calling debtors |  |  |
| 4 |  | Collection of payments and updating of debtors records |  |  |
| 5 |  | Issuing statements of accounts |  |  |
| 6 |  | Sending last reminders to debtors |  |  |
| 7 |  | Compiling and publishing defaulters , giving them final date to clear their accounts |  |  |
| 8 |  | Taking legal action on defaulters e.g auctioning the collateral security. |  |  |

Prepare by:

Sign ………………………………………………… Approved by:

Sign …………………………………………….. Sign………………………….

Name ……………………………………………….. Name ……………………………….

Title: Sales manager Title ………………………………

6. Speech to be presented to Business community should show:-

1. Heading
2. Date of presentation
3. Body :- salutation

Obligations of tax payers

Such as Registration, Filing Returns and Entries Tax payment, cooperation with the authority and Disclosure/Declaration

1. Conclusion.

Mark allocation:

Body -03 marks)

Any other 2x1 =02 marks)

05 marks)

(ii) Tax exempt incomes for business employee include:-

* Employee income that is below the taxable threshold of shs. 235,000
* Pension.
* Discharge of medical bills incurred by the employee.
* Life insurance premium paid by a taxable employer for the benefit of the employee.
* Expenses incurred by the employee is discharge or re-imbursement for the employee on official duty of the employer.
* Meals of the refreshment or value of meals provided to all employees at equal terms.
* Employer’s contributions to a retirement fund for the benefit of the employee.
* Any cash benefits whose value is less than shs. 10,000 a month.

Any 3x1 = 03 marks).

(b) Employee’s Gross income= Basic salary + All taxable allowances.

Tulyambala’s monthly Gross income= shs. 2,700,000

PAYE Tax liability =shs 25,000+30% of the amount exceeding shs. 410,000

=25,000+ 30 x(2,700,000-410,000)

100

=25,000+30 x2,390,0000

100

=25,000+717000

=shs, 742,000

Melon’s monthly Gross Income =shs.1,500,000

PAYE Tax liability =shs 25,000+30% of the amount exceeding shs.410,000=25000+30x(1500,00-410,000)

100

=25,000+30 x1,090,000

100

=shs 25,000+327,000

=shs.352,000

Suunju’s monthly Gross income =shs.1,100,000

PAYE tax liability =shs 25,000+30% of the amount exceeding shs. 410,000

=25000+30 x (1100,000-410,000)

100

=25,00+30 x 690,00

100

shs 25,000 + 207,000

=shs.232,000.

Otto’s monthly Gross income =shs. 11 950,000

PAYE tax liability = shs.25,00 +30(11,950,000-410,000)+

100

10% of 1,950,000.

100

=25,00+30x11,540,000+ 10 x 1,950,000

100 100

=25,000+3,462,000+ 195,000

=shs 3,682,000

(c) Negative effects of taxation on business operation include.

* Discourages investment by reducing the marginal propensity to save.
* Discourage savings.
* Discourage hard work especially progressive taxes.
* Reduces the volume of trade and thus the benefit of trade.
* Resource diversion from highly taxed activities to sometimes non-productive ventures
* Etc.

Any 4x1 =04 marks)