**845/2**

**ENTREPRENEURSHIP**

**EDUCATION**

**Paper 2**

**Jul/Aug 2016**

**2 ½ Hours**



**MUKONO EXAMINATIONS COUNCIL**

**Uganda Certificate of Education**

**ENTREPRENEURSHIP EDUCATION**

Paper 2

**2 Hours 30 Minutes**

**INSTRUCTIONS TO CANDIDATES**

* *Answer only* ***four*** *questions.*
* *Section* ***A*** *is compulsory. Answers to this section should be precise.*
* *Answer* ***three*** *questions from section* ***B.***
* *Credit will be given for use of relevant diagrams and illustrations.*
* *Additional questions answered will* ***NOT*** *be marked.*

**SECTION A (40 Marks)**

1. a) (i) What is meant by the term “Business environment.” ***(01mark)***

(ii) Mention any three elements of a business environment. ***(03marks)***

b) (i) Differentiate between sole proprietorship and a partnership. ***(02marks)***

(ii) List any two characteristics of a sole proprietorship form of business. ***(02marks)***

c) Give four examples of Business goals. ***(04marks)***

d) (i) Distinguish between prime costs and overhead costs. ***(02marks)***

(ii) Mention two examples of overhead costs. ***(02marks)***

e) Give any four indicators of quality as perceived by customers of a product.

***(04marks)***

f) Nambooze made a gross profit of shs 90,000 and her sales amounted to shs 200,000.

Total operating expenses were shs 30,000. Calculate her net profit ratio. ***(04marks)***

g) (i) What is a central bank? ***(01mark)***

(ii) Mention three functions of a central bank. ***(03marks)***

h) (i) Distinguish between a debenture and a share certificate. ***(02marks)***

(ii) Outline two requirements a company should fulfill before selling shares to the

public. ***(02marks)***

i) (i) What are business ethics? ***(01mark)***

(ii) Mention three ethics entrepreneurs practice towards other businesses.

***(03marks)***

j) Give four reasons why entrepreneurs pay taxes in your country. ***(04marks)***

**SECTION B (60 Marks)**

1. a) Explain five benefits of manufacturing businesses. ***(10marks)***

b) Outline the challenges manufacturing businesses face in Uganda. ***(05marks)***

c) Suggest ways of overcoming challenges facing manufacturing businesses in Uganda.

***(05marks)***

1. a) Distinguish between promotion and positioning as used in Marketing. ***(04marks)***

b) Describe eight ways an entrepreneur can use to promote sales. ***(16marks)***

1. a) Give the conditions when an entrepreneur may sell goods on credit. ***(16marks)***

b) What are the advantages of selling goods on credit? ***(04marks)***

1. a) Explain the various laws governing businesses in Uganda. ***(10marks)***

b) Outline the different ways in which business laws protect consumers in Uganda.

***(10marks)***

1. a) What are the benefits of a business plan to an entrepreneur? ***(10marks)***

b) Explain the problems faced by entrepreneurs when preparing a business plan.

***(10marks)***

***End -***