845/2

**ENTREPRENEURSHIP EDUCATION**

**PAPER 2**

DEC 2020

2HOURS 3O MINUTES

EXTERNAL EXAMINATION 2020

Uganda Certificate of Education

**ENTREPRENEURSHIP EDUCATION**

**PAPER 2**

2HOURS 30 MINUTES

**INSTRUCTIONS TO CANDIDATES:**

* This paper consists of two sections A and B
* Section A is **compulsory**. Answers to this section should be precise
* Answer **three** questions from section B
* All questions in section B carry equal marks.
* Any additional question(s) answered will not be marked
* Credit will be given for use of relevant examples and illustrations.

**SECTION A (40marks)**

1. (a). Mention **four** major players in the capital markets **04mks**

(b) (i). What is meant by the term decision making? **01mk**

(ii). Outline any **three** factors that influence decision making process  **03mks**

(c). Identify any **four** causes of business capital  **04mks**

(d) (i). Distinguish between public limited and private limited companies **02mks**

(ii). Give at least **2** conditions for terminating contract **02mks**

(e) (i). Define “business” ethics  **01mk**

(ii). Mention **three** business ethics towards employees **03mks**

(f) (i). Distinguish between “i**ndemnity** and **subrogation**” **02mks**

(ii). Give **two** examples of insurable risks in business  **02mks**

(g). Given; Fixed assets 8,000,000

Current assets 3,600,000

Long term liabilities 4,200,000

Current liabilities 1,500,000

Calculate

(i). Working capital  **02mks**

(ii). Net worth of the business **02mks**

(h). (i). Define a cheque. **01mk**

(ii). Identify any **three** circumstances under which a cheque may be dishonoured. **03mks**

(I). (i). What is meant by the term marketing? **01mk**

(ii). Give any three factors that affect pricing decisions  **03mks**

(j). (i). What are the advantages of using Imprest system in an enterprise? **02mks**

(ii). Mention at least **2** source documents used in business **02mks**

**SECTION B (60MKS)**

1. (a). What is the importance of communication to an entrepreneur? **10mks**

(b). Explain the essential elements of effective communication in business. **10mks**

1. (a). Explain the importance of advertising a product. **12mks**

(b). Describe the various forms of advertisement that may be used by an

entrepreneur. **08mks**

1. (a). Describe how business benefit from the natural environment. **08mks**

(b). Explain the effects of business activities to the environment. **08mks**

1. (a). Explain the functions of the central bank. **08mks**

(b). Explain the challenges facing the banking industry in Uganda today. **12mks**

1. (a). What are the principles of taxation? **10mks**

(b). Explain the various types of direct taxes. **10mks**

**END**