845/1

**ENTREPRENEURSHIP**

**EDUCATION**

**PAPER 1**

DEC. 2020

2HOURS 30 MIN

EXTERNAL EXAMINATION 2020

Uganda Certificate of Education

**ENTREPRENEURSHIP EDUCATION**

**PAPER 1**

2 HOURS 30 MINUTES

**INSTRUCTIONS TO CANDIDATES:**

* Answer any **four** questions
* All questions carry equal marks
* Credit will be given for use of diagrams and illustrations
* Additional question(s) answered will not be marked

1. You have been given a loan of Uganda shs 10,000,000 to start a project of your choice in your community:
2. Giving reasons for your answer, identify one project you would establish.

**03mks**

1. Prepare a budget for your project. **06mks**
2. How will you ensure quality products in your project. **10mks**
3. Explain the benefits of your project to society. **06mks**
4. The following trial balance was extracted from the books of queen’s enterprises at 31st December 2013.

Queen’s enterprises

Trial balance

As at 31/12/2013

**DR (shs)’000’ CR (shs)’000’**

Sales 128,000

Purchases 90,000 5,000

Returns 6,000

Carriage in wards 10,000

Stock(1.12.2013) 28,000

Rent 4,000

Advertising 8,000

Premises 122,000

Machinery 75,000

Debtors 18,000

Creditors 31,000

Bank loan 60,000

Cash in hand 14,000

Cash at bank 27,000

Drawings 10,000

Discount allowed 5,000

Discount received 6,000

Commission received 20,000

Capital 190,000

Carriage outwards 8,000

Wages and salaries 15,000

**440,000 440,000**

Additional information

Stock on 31 /12/2013 was valued at shs 48,000,000

Required to prepare

1. Trading profit and loss account for the year ended. **15mks**
2. Balance sheet as at 31st December 2013.  **10mks**
3. You intend to start a small scale dairy processing plant in your area.
4. Outline the requirements for the project  **06mks**
5. What information will you obtain when carrying out market research for your

project? **05mks**

1. Explain the factors you will consider when selecting packaging materials for your products. **08mks**
2. How will you reduce risks in your business? **06mks**
3. Richard Muhindo commenced business on 1st September 2010 with capital shs.

1,000,000 at Barclays bank. Cash books for payments not exceeding 50,000. The

Petty cash book is to be analysed into:

Travelling

Salaries and wages

Postage and stationery

Sundry expenses

The following transactions took place

shs

September 2nd withdrew from bank for petty cash 200,000

2nd bought from Onyango goods worth 410,000

3rd purchased goods paying by cheque 89,000

7th sold goods for cash 93,110

7th transferred cash to bank 93, 110

8th paid wages in cash 19, 100

10th paid for stamps and envelopes 15, 000

12th sent fax for London 25, 000

14th paid Onyango by cheque 210,000

14th cash sales to date 104,000

15th paid cash into bank 104,600

17th paid Jumbo petrol station for fuel 35,000

19th sold goods to Aseku 187, 000

21st paid wages in cash 19, 100

22nd paid tax –hire 11, 000

23rd paid rent in cash 20,000

26th paid for window display repair 3,480

27th paid cash into bank 159, 600

27th cash sales 77,600

28th paid wages in cash 19,100

30th paid salaries by cheque 100,000

Required to prepare Richard Muhindo’s

1. Two column cash book for the month of September 2010 **10mks**
2. Petty cashbook for the month of September **15mks**
3. You intend to start a restaurant in your home area.
   1. State four objectives of the business.  **04mks**
   2. Describe the steps you will follow when preparing a business plan for the project. **10mks**

* 1. Prepare an organizational plan for your business.  **06mks**
  2. What five factors will you consider when determining the working capital requirements for your business. **05mks**

**END**