**UGANDA CERTIFICATE OF EDUCATION**

**INTERNAL MOCK EXAMS 2019**

**ENTREPRENEURSHIP PAPER 1 (845/1)**

**TIME: 2 ½ HOURS**

***Instructions:***

* Answer any four(4) questions
* All questions carry equal marks
* Neat work is a must

1. After completing senior four, you plan to start a small maize mill in your locality.

a) Prepare a job advert for the post of engineer (8mks)

b) State the; -

(i) Objectives of the project (3mks)

(ii) Goals of the project (3mks)

c) State the factors you would consider when selecting machinery for the project (6mks)

d) Design a cash sale receipt (5mks)

2. The following information was extracted from the books Kapo Traders for the month of June 2018.

|  |  |
| --- | --- |
| **Item** | **Shillings** |
| Capital | 6,000,000 |
| Sales | 20,000,000 |
| Stock (1/6/2018) | 900,000 |
| Purchases | 12,780,000 |
| Drawings | 2,780,000 |
| Telephone | 570,000 |
| 56 years loan | 3,300,000 |
| Discount received | 450,000 |
| Rent | 730,000 |
| Cash | 120,000 |
| Interest received | 150,000 |
| Salaries & wages | 1,560,000 |
| General expenses | 210,000 |
| Bank | 360,000 |
| Carriage on sales | 330,000 |
| Creditors | 2,700,000 |
| Buildings | 6,000,000 |
| Commission allowed | 600,000 |
| Bank over drafts | 100,000 |
| Furniture | 2,250,000 |
| Debtors | 3,600,000 |
| Stock (30/6/18) | 360,000 |

Required to prepare:

1. Trading, profit and loss account for the year ended 30/6/18 (15mks)
2. Balance sheet as at 30/6/18 (10mks)

3. You intend to start a restaurant in your home town

a) Mention five indicators of a good business opportunity (5mks)

b) Prepare a menu card you will use in the business (7mks)

c) Using SWOT analysis, state two:-

(i) Strengths (2mks)

(ii) Weaknesses (2mks)

(iii) Opportunities (2mks)

(iv) Treats of your business (2mks)

d) State the benefits of the project to the community (5mks)

4.a) S.D Trader keeps its petty cashbook using the imprest system. The imprest amount for the month is shs 500,000. It made the following petty cash expenses for the month of March 2018.

October

1st received imprest of shs 500,000

1st bought petrol shs 60,000

2 paid staff travelling expenses shs 30,000

4 paid for postage shs 20,000

10 paid for cleaning expenses shs 100,000

12 bought petrol shs 60,000

16 paid bursar’s taxi fare shs 30,000

20 paid Nankya a creditor shs 50,000

24 bought motor oil shs 50,000

25 paid for parcels shs 60,000

30 bought brooms shs 20,000

You are required to prepare:

1. S.D Trader’s petty cash book using analysis columns for motor expenses ledger (13mks)
2. Open the double ledger (5mks)
3. State the advantages of using the imprest system (5mks)

5.a) Lukyamuzi earned income from different sources for the year 2018 as indicted below:

Business income shs 10,000,000

Employment income shs 24,000,000

Property income shs 5,000,000

He also paid expenses and losses amounting to shs 12,000,000 to earn the income. shs 150,000 of the income earned was tax exempt.

Compute his:

1. Gross income (4mks)
2. Chargeable income (3mks)
3. Uganda Revenue Authority (URA) levies pay As You Earn (PAYE) tax using the following monthly rates.

|  |  |  |
| --- | --- | --- |
| **No.** | **Income bracket** | **Tax liabilities** |
| a. | Not exceeding shs 235,000 | Nil |
| b. | Exceeding Ugx 235,000 but not Ugx 335,000 | 10% of the amount by which chargeable income exceeds Ugx 235,000 |
| c. | Exceeding Ugx 335,000 but not exceeding Ugx 410,000 | 10,000 plus 20% of the amount by which chargeable income exceeds Ugx 335,000 |
| d. | Exceeding Ugx 410,000 | Ugx 25,000 plus 30% of the amount by which chargeable income exceeds Ugx 410,000 |

How much monthly Pay As You Earn (PAYE) tax is paid by the following people whose monthly income is:

1. Mtovu A Shs 200,000 (2mks)
2. Apio S Shs 370,000 (4mks)
3. Ouma Alex Shs 490,000 (4mks)
4. Explain any 8 reasons why an entrepreneur should pay tax (8mks)

***END***