**ACEITEKA JOINT MOCK EXAMINATIONS 2024**

**UACE ENTREPRENEURSHIP EDUCATION**

**PAPER TWO – P230/2**

**MARKING GUIDE**

**QUESTION 1**

1. **Programme for taking an insurance policy for business property:**

|  |  |  |  |
| --- | --- | --- | --- |
| **BUSINESS NAME AND ADDRESS**  **PROGRAMME FOR TAKING AN INSURANCE POLICY FOR BUSINESS PROPERTY** | | | |
| **DATE** | **ACTIVITY** | **PERSON IN CHARGE** | **REMARKS** |
| Use examination dates. | * Identifying property to be insured. * Contacting insurance companies. * Selecting the best insurance company. * Checking the business budget. * Filling the proposal form * Getting information about the premium to be paid. * Signing the proposal form after paying the first premium. * Receiving a cover note. * Making regular payments. * Receiving insurance policy. | Use names / titles | Left blank |

**Drawn by:** Signature: Approved by: Signature:

Name: Must be filled Name: left blank

Title: Title:

* Title = 01 mark
* Any 8 activities x ½ = 04 marks
* Any other 4 ticks x ½ = 02 marks

**TOTAL = 07 marks**

1. **Guidelines for enhancing good customer care**

Business name and address

* Title

Guidelines for enhancing good customer care

* Customers’ complaints shall be handled well or attended to carefully.
* Business/workers shall be honest to customers.
* A customer care desk shall be established in the business.
* After sale services shall be provided to customers.
* Prompt services shall be offered to the customers.
* High quality products / services shall be provided to the customers.
* Workers shall guide customers on making choice of products required.
* Credit facilities shall be extended to customers.
* Customers shall be treated with respect.
* Fair prices shall be charged.
* Workers shall have adequate knowledge about the products being sold.
* The business shall put in place clear means of communication to customers.

**NB: Guidelines should be specific**

1. **An advert for promoting the business products.**

* Business name and address
* Business logo
* Business contacts i.e telephone no. e-mail address etc.
* Business location.
* Brief background of the business.
* Products dealt in / Nature of products
* Appealing phrases / words / slogans.
* Relevant illustration(s) of the product(s) to be offered.
* (Additional) benefits of the business / Products to customers e.g healthy living, promotional offers etc.
* Purpose of the business that may include vision, mission etc.
* Frame (in case of written adverts).

**Any 6 x 1 = 06 marks**

1. **Bid notice for the supply of three business vehicles.**

* Business name and address.
* Business contacts
* Business logo
* Business location
* Date of advertising the invitation to tender.
* Document name i.e Bid notice
* Tender reference number
* Bidding procedure e.g national competitive bidding.
* Brief background information about the activity or funds allocated for buying business vehicles.
* Details of the business vehicles required i.e model, make, type, status, vehicle registration number etc.
* Terms and conditions of the tender may include any of the following:
* Non refundable tender application fee
* Statement on eligibility of the potential supplier.
* Terms of payment
* Contract duration
* Any others.
* Application procedures or how to apply for the tender.
* Deadline for submission of the invitation to tender.
* The planned procurement schedule i.e time frame / date and activity columns.

|  |  |
| --- | --- |
| **TIME FRAME / DATE** | **ACTIVITY** |
|  | * Advertising of the bid for the supply of 3 business vehicles. * Receiving bid applications. * Opening of the bids. * Evaluating bidders. * Selecting the best bidder |

* Advertised / prepared by:

**Any 12 x ½ = 06 marks**

**QUESTION 2**

1. Inventory turnover ratio = Cost of sales

Average stock

Cost of sales = Goods available for sale – closing stock

= 16,000,000 – 4,000,000

= Shs.12,000,000.

Average stock = Opening stock + closing stock

2

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

2

= Shs. 4,500,000. **(05 mks)**

Inventory turnover ratio = 12,000,000

4,500,000

= 2.7 times

**3 times**

**Interpretation:** The business sold and replaced its stock approximately 3 times in a trading period / a year 2023.

1. Credit payment period = Creditors x Number of weeks in a year

Net purchases

**=** 3,000,000 x 52 weeks

11,000,000

**=** 14.2 weeks

**14 weeks**

**Interpretation:** On average the business took approximately 14 weeks to pay its creditors. **(04 mks)**

1. Rate of return on capital employed = Net profit x 100

Capital employed

Net profit = Gross profit – Total operating expenses

= (Net sales – cost of sales) – Total operating expenses

= (20,000,000 – 12,000,000) – 6,000,000

= 8,000,000 – 6,000,000

= Shs.2,000,000

Capital employed = Total fixed assets + Working capital

Working capital = Current assets – Current liabilities

Current assets = Debtors + Cash + Bank + Closing stock

= 1,500,000 + 900,000 + 1,600,000 + 4,000,000

= Shs.8,000,000.

Current liabilities = Creditors + outstanding rent

= 3,000,000 + 1,000,000

= Shs.4,000,000.

Working capital = 8,000,000 – 4,000,000

= Shs.4,000,000

Capital employed = 8,000,000 + 4,000,000

= Shs.12,000,000

Rate of return on capital employed = 2,000,000 x 100

12,000,000

= 16.7%

**Interpretation:** The business realised / made a net profit of shs.16.7 out of every shs.100 of capital employed. (04mks)

1. Stock turnover = Cost of sales

Average stock

= 12,000,000

4,500,000

= 2.7 times

**3 times**

**Interpretation:** The business sold and replaced its stock approximately 3 times in a trading period / a year 2023.

1. Cash ratio = Absolute liquid assets

Current liabilities

But absolute liquid assets = Cash + Bank

= 900,000 + 1,600,000

= Shs.2,500,000

Cash ratio = 2,500,000

4,000,000

**= 0.625:1**

**Interpretation:** The business was able to clear 0.625 of its current liabilities

only using its absolute liquid assets. **(04 marks)**

1. Gross profit mark-up = Gross profit x 100

Cost of sales

= 8,000,000 x 100

12,000,000

= 66.7%

= 67%.

**Interpretation:** The business realized / made a gross profit of shs.66.7 or approximately shs.67 for every shs.100 of cost of sales.

**(04 mks)**

**QUESTION 3.**

1. **Quality policy guidelines for the business**

Business name and address

* Title

Quality policy guidelines for the business

* Only quality inputs / raw materials shall be purchased and used.
* There shall be close supervision and monitoring of all production activities / workers.
* Regular research shall be carried out.
* Clear instructions shall be given to all the workers.
* Proper cleanliness / hygiene shall be maintained in the business.
* Good quality storage facilities shall be used at all times.
* Workers shall be periodically / regularly trained on maintaining high quality products.
* Superior / better methods of production shall be used.
* Quality standards relating to ensuring quality shall be observed by the workers.
* Appropriate distribution channels or delivery means shall be used.
* Workers shall observe all the technical specifications relating to quality and quantity.
* Only well trained or skilled and experienced workers shall be employed.
* There shall be regular servicing of machines, tools and equipment.
* Specialisation and division of labour shall be practiced.

**Title = 01 mark**

**Any other 6 x 1 = 06 marks**

**Total = 07 marks**

1. **Organisational plan for the business.**

Business name and address

* Title

Organisational plan

* Organisational structure / reporting line / chain of command.
* Number of employees / People working in the organisation.
* Organisational entry and exit procedures.
* Qualifications and skills of workers.
* Duties and responsibilities of workers.
* Basic pay / salary
* Fringe benefits / Other benefits
* Summary of administrative expenses
* Training opportunities of workers
* Monitoring and evaluation of employees.

**Title = 01 mark**

**Any other 6 x 1 = 06 marks**

**Total = 07 marks**

**NB:** The tense is present simple tense (is/are)

1. **Marketing expenses budget**

|  |  |
| --- | --- |
| **BUSINESS NAME AND ADDRESS**  **MARKETING EXPENSES BUDGET** | |
| **DETAILS** | **AMOUNT (SHS)** |
| * Market research costs | xx |
| * Transport costs | xx |
| * Distribution costs | xx |
| * Salaries / wages to sales workers | xx |
| * Packaging costs | xx |
| * Storage costs | xx |
| * Promotion / advertising costs | xx |
| * Marketing administrative costs | xx |
| * Product improvement costs | xx |
| * Customer follow-up costs | xx |
| **TOTAL** | XX |

NB: -Accept any other marketing expenses.

-Title + any other 6 including total of the budget

**= 06 marks.**

1. **Designed delivery note for use in the business should include;**

* Business name and address
* Business logo
* Document number
* The date
* Document identity / name
* Customer’s address
* Description of goods delivered
* Quantities of goods delivered.
* Unit cost for goods delivered.
* Total cost for the goods
* Grand total amount for the goods
* Instruction to receive goods in good condition.
* Signature, name and title of the person delivering the goods.
* Provision for the person receiving the goods.
* Frame

**Any 10 x ½ = 05 marks**

**QUESTION 4**

1. **Designed market survey guide should include;**

Business name and address

* Title

Market survey guide

* Brief introduction / opening remarks (i.e purpose of research, the products etc)
* Details of the respondent i.e
* Name (optional)
* Age
* Sex / gender
* Marital status
* Location
* Income bracket.
* Question about place e.g Where, convenience etc
* Question about product e.g quality, quantity, packaging etc.
* Question about price e.g market price, expected price.
* Question about promotion e.g how customers got to know.
* Question about positioning i.e ranking
* General comments / remarks / views about the business.
* Appreciation remarks / statement.

**Title = 01 mark**

**Any other 5 x 1 = 05 marks**

**Total = 06 marks**

1. **Price list for the products should show the following;**

* Business name and address
* Business logo
* Document name i.e PRICE LIST
* Document number
* Customer’s address
* Description / Product name / Item
* Unit price (Shs)
* Serial number
* Business slogan
* Frame
* Prepared by: \_\_\_\_\_\_\_

\_\_\_\_\_\_\_

**Any 6 x 1 = 06 marks**

1. **Daily distribution schedule.**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Business name and address**  **Daily distribution schedule for business products** | | | | | | |
| **Day** | **Product** | **Quantity** | **Customer / Market / Place** | **Person in charge** | **Means of delivery** | **Remarks** |
| Fill | Fill | Fill | Fill | Fill | Fill | Left Blank |

Prepared by: Signature Approved by: Signature

Name Filled Name: Blank

Title Title:

**Title = 01 mark**

**Any other 6 x 1 = 06 marks**

**Total = 07 marks**

1. **How the project will benefit the community.**

* Providing employment opportunities.
* Providing market for the products of the community.
* Providing training opportunities.
* Facilitating infrastructural development.
* Promoting social unity and cooperation among the community members.
* Promoting creativity and innovation among the community members.
* Providing tax revenue to government to be used in provision of social services.
* Supporting / Sponsoring of community activities / programmes.
* Utilising the would be idle resources.
* Providing security.
* Providing goods / products
* Acting as a centre for study or research for the community.

**Any 6 x 1 = 06 marks**

NB: Accept use of action verbs or present simple tense.

**QUESTION 5**

1. **Plan for training new employees**

|  |  |  |  |
| --- | --- | --- | --- |
| BUSINESS NAME AND ADDRESS  PLAN FOR TRAINING NEW EMPLOYEES | | | |
| **DATE** | **ACTIVITY** | **PERSON IN CHARGE** | **REMARKS** |
| Use examination dates | -Identifying organisational objectives  -Identifying training needs.  -Identifying training objectives  -Selecting trainees  -Selecting training methods  -Selecting trainers.  -Carrying out training  -Evaluating the training | Names / title | Left blank |

Drawn by: Signature Approved by: Signature

Name Filled Name: Blank

Title Title:

**Title = 01 mark**

**8 activities x ½ = 04 marks**

**Any other 4 ticks x ½ = 02 marks**

**Total = 07 marks**

1. **Letter inviting a technician to service company machines, tools and equipment should include the following;**

* Business name and address / return / sender’s address.
* Date of writing the letter.
* Reference number.
* Inside / receiver’s address
* Salutation
* Subject heading i.e RE: ........
* Body of the letter should clearly bring out;
  + Reason for writing the letter.
  + Specification of machines, tools and equipment to be serviced.
  + Nature of the service, day and date and time.
* Complementary close / clause i.e signature, name and title of the writer.
* CC e.g – file
* ENC. e.g – Direction map to the business premises.

**Any 7 x 1 = 07 marks**

1. **Policy for selection of Company machinery.**

Business name and address

* Title

Policy for selection of company machinery

* Machines with available spare parts shall be selected.
* The business shall select machines that are easy to use.
* The business shall select machines that are durable in nature.
* The business shall select machines that match with the current technology.
* The business shall select machines that are relatively cheap.
* The business shall select machines from a reputable / reliable source or supplier.
* Machines that use less power / fuel shall be selected.
* Machines that require less time of training of workers shall be selected.
* Machines with clear instruction manuals shall be selected.
* Machines that are environmentally friendly shall be selected.

**Title = 01 mark**

**Any other 6 x 1 = 06 marks**

**Total = 07 marks**

1. **Designed stock requisition form for accessing tools should include;**

* Business name and address
* Business logo.
* Document identity i.e STOCK REQUISITION FORM.
* Provision for date.
* Provision for the department requesting
* Requisition number
* Provision for voucher number
* Provision for person drawing / making requisition
* Provision for / table showing;
* Folio number
* Item
* Current balance
* Quantity required
* Unit cost (shs)
* Quantity issued
* Receipt date
* Issue date
* Person authorizing the issue
* Provision for the date of filling the stock card.

**Any 12 x ½ = 06 marks**

6. (a)

**ALAKARA RESTAURANT**

**CASH FLOW STATEMENT**

**FOR THE MONTHS OF MAY, JUNE AND JULY 2022**

|  |  |  |  |
| --- | --- | --- | --- |
| **DETAILS** | **MAY** | **JUNE** | **JULY** |
|  | Shs. | Shs | Shs |
| Balance b/d | 850,000 | (6,050,000) | (9,800,000) |
| CASH INFLOWS: |  |  |  |
| United Bank Loan |  | 4,000,000 |  |
| Cash sale | 10,000,000 | 11,000,000 | 12,100,000 |
| Cash from debtors | 8,000,000 | 8,800,000 | 9,680,000 |
| Capital |  | 2,000,000 | 1,000,000 |
| Commission income | 6,000,000 | 7,200,000 | 8,640,000 |
| Cash earned from training | 5,100,000 |  |  |
| **Total Cash Inflows** | **29,950,000** | **26,950,000** | **21,620,000** |
| **LESS: CASH OUTLOWS** |  |  |  |
| Payment for cooker | 8,000,000 | 4,800,000 | 3,200,000 |
| Cash purchases | 20,000,000 | 22,000,000 | 24,200,000 |
| Payments to creditors | 2,000,000 | 4,000,000 | 4,000,000 |
| Loan interest payment |  | 100,000 | 100,000 |
| Loan repayment |  |  | 4,000,000 |
| Sales commission payments | 1,000,000 | 1,100,000 | 1,210,000 |
| Salary payments | 5,000,000 | 4,750,000 | 5,200,000 |
| **Total cash outflows** | **36,000,000** | **36,750,000** | **41,910,000** |
| Net cash position | **(6,050,000)** | **(9,800,000)** | **(20,290,000)** |

**44 ticks x ½ = 22 marks**

(b) **Comment on the net cash position of the business.**

1. The net cash position of the business shows **deficits** for all the three months of May to July 2022.
2. However, the net cash position of the business is fluctuating / unstable.
3. The net cash position is/was a deficit of Shs.**6,050,000** in May, then it decreased to a deficit of Shs.**9,800,000** in June and decreased further to deficit of Shs.**20,290,000** in July 2022.

**3 marks**

**=END=**