



S3 ENTREPRENEURSHIP

Instructions to candidates

Duration: 2 hours 30 mins

- There are two sections in this paper, Section A and Section B.
- Section A is compulsory.
- Attempt any three questions from Section B. All questions in this section carry equal marks.
- Use of relevant illustrations and examples will be an added advantage.

THIS TABLE BELOW IS FOR EXAMINER USE ONLY

For Examiners' Use Only			
Section	Question	Maximum	Marks obtained
A	1-15	40	
B (3 out of 5)	16	20	
	17	20	
	18	20	
	19	20	
	20	20	
Total		100	

SECTION A (40 Marks)

1. The headteacher of Kyankwanzi UMEA High school has requested you to address the senior two students about the elective subjects they are to do in S.3, identify any two reasons to convince them to carry on with entrepreneurial Skills even in S.3. (02 marks)

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2. An entrepreneur in Kiteezi community has provided you with the following figures for the year ended 31/07/2023

Items	shs
Net sales	45,000
Cost of sales	32,250
Salaries and wages	6,000
Discount received	1,500
Discount allowed	2,250

Calculate

- Gross profit.
- Net profit.

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3. After identifying a good business idea, Darlen, an entrepreneur in Kabale town, is thinking of starting a grocery business. Suggest any three advantages of having a savings- investment plan before business start-up. (03 marks)

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4. The accountant of Kyaka Enterprises received an invoice of Shs 2,000,000/= from a supplier with a cash discount of 5% if payment is made within 20 days. Calculate the amount of money to be paid by Kyaka Enterprises if payment is made in 10 days. (03 marks)

5. All business owners in Uganda are required by law to pay taxes, but some of them have not been compliant to their obligation because they think the money they contribute as tax is used for the selfish interests of politicians. Help them identify any three areas where the revenue collected from government is used. (03marks)

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6. Adikini has started a water bottling business in Arua City and is using water guard tablets to purify the water before bottling. Give any three Sustainable Development Goals (SDGs) Uganda will achieve through Adikini's business. (03 marks)

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7. Omara is an entrepreneur in Ibanda Town operating a supermarket with about 20 workers. He has a challenge of workers resigning almost every month and his customers are running away as a consequence. Advise Omara on any three acceptable business behaviours that will keep staff working in his business for long (03 marks)

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8. At the end of the trading period, the accountant of NFERABUSA ENTERPRISES computed the final accounts to determine the profitability of the business. The business realised an increment in the net profit of shs 2,000,000/=. Mention any two stakeholders who may be interested in figures of the net profit. (03 marks)

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9. Study the photograph below and answer the questions that follow:



a) Identify any three risks which the above business is exposed to. (03marks)

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10. Suggest at least three insurance policies the above business can undertake to cover the risks mentioned above

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11. Isabirye received a cheque from a client. He presented it to the teller of the bank and was not given cash immediately because in the two parallel lines on the cheque leaf, there were words indicated stating that, "A/C PAYEE only. He is puzzled and is seeking your guidance.

(i) Advise him on the meaning of the phrase, A/C PAYEE only. 1mk

(ii) Mention any two advantages a client gets when the cheque issued to him/her, has those parallel crossings. 2mks

12. A relative has come to consult you on the registration

procedures for a brick making business. Give any three requirements for such a process. (3 Marks)

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13. Keza, a registered VAT trader bought goods worth 10,000,000 shillings(VAT INCLUSIVE) and sold them at 13 million shillings(VAT INCLUSIVE). Using the relevant VAT ratio, calculate the VAT payable by KEZA on such goods. (04 Marks)

SECTION B (60 Marks)

14. Champion BADO is a proprietor of a service business that provides mobile banking services to the public. Due to the kind treatment extended towards customers, he has managed to outcompete the rest in the area as a good number of customers comes to his business. This has boosted his daily earnings that he has now opened up another branch in the nearby area to serve customers better without queuing for long. He has recruited three more attendants to be able to serve customers in time. He has approached you to provide expert knowledge on business.

- By the use of a brochure, help his customers know the location of the new branch.
- Present a program he is likely to follow in commencing the business operations at the new location
- Help champion Bado develop a suitable marketing plan for his business
- Design a routing slip for business use.

15. Kasoma a business tycoon in your area owns a cosmetics business in the names of KASOMA cosmetics limited. The tycoon registered net profit revenue of shs.82, 000,000. The business produces a variety of beauty products such as Jellies, perfumes and perfumed soaps. It employs 4 workers two of whom are casual employees and the other two are highly skilled. In the year 2022, the skilled workers were paid a basic salary of shs.11,000,000 per worker each month with medical allowance of 10% while casual workers earned shs.200, 000 per work each month. In addition to providing employment opportunities, the business pays taxes to government which money is used by government to provide social services in the region. Given the corporation tax rate of 30% and the monthly PAYE rates as below

Serial number	Annual income	Annual tax rate
	Nil/zero	
1.	Not exceeding shs 235,000	
4.	Exceeding shs.410,000	a) Shs. 25,000 plus 30% of the amount by which chargeable income exceeds shs.410,000 b) Where chargeable income exceeds shs.10,000,000 an additional 10% is charged on income exceeding shs.10,000,000

Compute:

- PAYE paid by the different workers given their level of skills per month.
- The corporation tax paid by KASOMA cosmetics limited in the year 2022.
- Basing on Kasoma's positive attitude to pay tax, educate other community members on the right procedure for tax compliance.
- What was the total tax contribution of KASOMA cosmetics employees to URA in the year 2022.
- Present the other roles of taxation in your area.

16. Kasadha operates a bakery in Jinja City. He employs 5 workers, keeps his books of accounts and pays his employees well. Despite all the above, the performance of the business has been declining over years. He has been advised to go to the community and make and establish the source of the challenge.

- Help him design a tool he will use in his investigations.
- How will carrying out such investigations help improve business performance?
- After internal investigations, it was discovered that the business was not keeping proper records. What challenges is the business likely to face due to this tendency.
- Present a suitable document that will guide Kasadha during the production activities

17. KICONCO ENTERPRISES commenced a business on 1st March 2023 with shs.2,000,000 in cash. The following