

# KAMSSA UCE ENTREPRENEURSHIP SCORING GUIDE 2024

## Section A

**Answer all items in this section.**

**Item 1**  
 Your aunt Janet is in the process of locating a restaurant deep in her village. She intends to prepare both local and continental foods. However, she is not sure whether all of what she wants to do will be a success.

**Task**

- a) Identify the fixed and working capital requirements for the name of the business.
- b) Write to your aunt suggesting the suitable location for your aunt's business.
- c) Design a document to be used when ordering for business supplies.

Element of construction	Basis of Assessment	Success Criteria	Scoring	Total
Business startup process	Business planning	<p><b>List 4 or more requirements</b></p> <ul style="list-style-type: none"> <li>▪ 4 or more requirements ie 2 fixed and 2 working capital requirements or more.</li> <li>▪ 3 requirements ie 2 fixed and 1 working capital requirement.</li> <li>▪ 1-2 requirements either fixed or working capital requirements.</li> <li>▪ No/wrong requirement(s).</li> </ul> <p><b>E.g</b></p> <p><b>Fixed capital requirements</b></p> <ul style="list-style-type: none"> <li>▪ Land</li> <li>▪ Building</li> <li>▪ Equipment</li> <li>▪ Vehicle</li> <li>▪ Furniture. Etc</li> </ul> <p><b>Working capital requirements</b></p> <ul style="list-style-type: none"> <li>▪ Power bill</li> <li>▪ Salaries and wages</li> <li>▪ Raw materials</li> <li>▪ Packaging</li> <li>▪ Transport</li> <li>▪ Water. etc</li> </ul>	03 02 01 00	03
2. Letter writing/ Business Location		<p><b>Formal letter writing</b></p> <p>7-9 features</p> <p>4-6 features</p> <p>1-3 features</p> <p>No/wrong features</p> <p><b>E.g</b></p> <ul style="list-style-type: none"> <li>▪ Writers' address</li> <li>▪ Current date</li> <li>▪ Reference</li> <li>▪ Receivers' address</li> <li>▪ Salutation</li> </ul>	03 02 01 00	03

	<ul style="list-style-type: none"> <li>▪ Subject line</li> <li>▪ Body</li> <li>▪ Complementary</li> <li>▪ Cc</li> <li>▪ Encl</li> </ul> <p>Description of suitable business location.</p> <ul style="list-style-type: none"> <li>• 5 or more factors</li> <li>• 3 or more factors</li> <li>• 1 or more factor</li> </ul> <p>No/wrong factors.</p> <p>E.g.</p> <ul style="list-style-type: none"> <li>▪ Presence of market</li> <li>▪ Availability of raw materials</li> <li>▪ Presence of security / political stability</li> <li>▪ Government policy on location</li> <li>▪ Presence of labour</li> <li>▪ Presences of adequate utilities.</li> <li>▪ Availability of buildings</li> <li>▪ Presence of support services for businesses.</li> <li>▪ Developed transport and communication network. Etc</li> </ul> <p>Design a purchase order.</p> <ul style="list-style-type: none"> <li>• 10 or more features</li> <li>• 5 or more features</li> <li>• 1 or more features</li> </ul> <p>No/wrong features</p> <p>E.g.</p> <ul style="list-style-type: none"> <li>▪ Business name and address contact</li> <li>▪ Business logo</li> <li>▪ Document identity</li> <li>▪ Document Number</li> <li>▪ Date</li> <li>▪ Suppliers' address</li> <li>▪ Particulars/description</li> <li>▪ Quantity</li> <li>▪ Unit price(shs)</li> <li>▪ Amount (shs)</li> <li>▪ Total</li> <li>▪ Terms and conditions</li> <li>▪ Prepared by.....</li> </ul> <p>Etc</p>	03	03
3. purchase order.		02	01

**Item 2**  
 Ssentamu, Turinawe and Oloya Are some of farmers in Kikunyu village with a great feeling that getting together as farmers in the same community might take them to the next level by collectively marketing and selling their produce.  
 However, none of them has provided the right process of forming cooperatives during their several meetings which has caused confusion

**Task**  
 You have been invited in their next meeting to;

- Explain to the potential members how to formulate their arrangement
- Suggested to them how best they are to promote the cooperative sales.

**Item 2**

Element of construction	Basis of Assessment	Success criteria	Scoring	Total
LEGAL FORMS OF BUSINESS OWNERSHIP (BUSINESS MANAGEMENT)	1. Cooperatives	<ul style="list-style-type: none"> <li>Formation</li> <li>3 or more steps Explained.</li> <li>2 steps explained</li> <li>1 step explained</li> </ul> No/ wrong step (s) <b>E.g.</b> <ul style="list-style-type: none"> <li>Developing the idea</li> <li>Conducting a feasibility or viability study of the proposed co-operative</li> <li>Recruiting members and setting up leadership structures</li> <li>Registering the cooperative</li> <li>Managing the cooperative.</li> </ul>	03 02 01 00	03
	2. Sales promotion	<b>Ways of promoting sales</b> <ul style="list-style-type: none"> <li>7 or more ways explained</li> <li>5 or more ways explained</li> <li>1 or more ways explained</li> <li>No/wrong way(s)</li> </ul> <b>E.g.</b> <ul style="list-style-type: none"> <li>Price reduction/cuts</li> <li>Sponsoring social activities</li> <li>Promotional offers</li> <li>Instalment selling</li> <li>Provision of after sales service</li> <li>Extending credit facilities</li> <li>Attractive packaging</li> <li>Giving free samples or gifts</li> <li>Persuasive advertising</li> <li>Appealing brand names</li> <li>Proper displays</li> <li>Personal selling</li> <li>Money off coupons</li> <li>Exchange scheme</li> </ul>	03 02 01 00	03

- Buy one get one free
- Refunds
- Tete marketing
- Trade shows etc.

**Item 3**

Ndifuna is a trader dealing in the supply and distribution of agricultural produce both locally and to other East African countries including Kenya South Sudan and Tanzania. He transports his products mostly by road which exposes his business to various risks though most of them are insurable but he is reluctant to insure his business claiming he is not aware of the appropriate policies to cover his business.

**Task**

- a) Identify any policies to be taken by Ndifuna
- b) Describe the steps he is to follow when acquiring the policies.
- c) Of what benefit is regional cooperation to Ndifuna.

ELEMENT OF CONSTRUCT BUSINESS SUPPORT	Basis of Assessment	Success criteria	Scoring	Total
	1. INSURANCE	<p>Insurance policies</p> <ul style="list-style-type: none"> <li>• 3 or more policies</li> <li>• 2 policies</li> <li>• 1 policy</li> <li>• No/wrong policy</li> </ul> <p>E.g.</p> <ul style="list-style-type: none"> <li>▪ Fire policy</li> <li>▪ Motor insurance</li> <li>▪ Personal insurance</li> <li>▪ Cash in transit/insurance</li> <li>▪ Loss of profits policy</li> <li>▪ Goods in transit insurance etc.</li> <li>▪ Policy acquisition</li> <li>• 3 or more steps explained</li> <li>• 2 steps explained</li> <li>• 1 step explained</li> <li>• No/wrong step(s)</li> </ul> <p>E.g.</p> <ul style="list-style-type: none"> <li>▪ Making inquiries about the insurance firms.</li> <li>▪ Filling the proposal form</li> <li>▪ Determining of premium payable</li> <li>▪ Payment of the first premium</li> <li>▪ Issue of cover note</li> <li>▪ Issue of the insurance policy</li> </ul>	03 02 01 00  03 02 02 00	03
	2. Regional cooperation	<p>Benefits of East African community</p> <p>3 or more benefits explained</p> <p>2 benefits explained</p> <p>1 benefit explained</p> <p>No/wrong benefit</p> <p>Market expansion</p> <p>More trade creation</p> <p>Increase in bargaining power</p> <p>Health competition</p> <p>Technological transfer</p> <p>Regional stability etc.</p>	03 02 01 00	03

## SECTION B

**Answer one item from this section**

JAMILAH DEALERS Specializes in the sales of plumbing equipment and accessories. The business is in searching for a specialist in records management. However the applicants have so far failed to determine the profitability and the financial position of the business as at December 2023.

Given the balances below.

Stock (1 <sup>st</sup> December 2023)	
Advertising	1,000,000
Insurance	140,000
Transport	80,000
Rates	210,000
Equipment	110,000
Shop fittings	2,800,000
Stock (31 <sup>st</sup> December 2023)	500,000
Debtors	1,200,000
Creditors	1,200,000
Purchases	860,000
Sales	5,600,000
Drawings	10,400,000
Capital	120,000
Overdraft	6,300,000
Discount allowed	370,000
Discount received	150,000
Premises	90,000
Returns inwards	4,800,000
Returns outwards	600,000
Cash	40,000
Salaries	50,000
	700,000

### Task

You are required to prepare the relevant financial statements for the business.

Element of construction	Basis of Assessment	Success criteria	Scoring									
Apply back keeping skills	Prepare income statement	<p><b>Preparation of income statement</b></p> <ul style="list-style-type: none"> <li>• Title</li> <li>• No/wrong title</li> <li>• Currency</li> <li>• Format</li> <li>• No/wrong format           <ul style="list-style-type: none"> <li>❖ Postings</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>▪ Makes 13 or more postings</li> <li>▪ Makes 6 or more postings</li> <li>▪ Makes 1 or more postings</li> <li>▪ Makes No/wrong postings</li> </ul>	<table border="1" style="float: right; margin-right: 10px;"> <tr> <td>01</td> </tr> <tr> <td>00</td> </tr> <tr> <td>01</td> </tr> <tr> <td>01</td> </tr> <tr> <td>00</td> </tr> <tr> <td>03</td> </tr> <tr> <td>02</td> </tr> <tr> <td>01</td> </tr> <tr> <td>00</td> </tr> </table>	01	00	01	01	00	03	02	01	00
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Prepare balance sheet	No/wrong Net profit	01	
	00	01	
	Preparation of Balance sheet		01
	• Title	01	01
	• Currency	01	01
	• No/wrong title	01	01
	• Format	00	
	❖ Postings	01	01
	▪ No/wrong title		
	▪ Makes 10 or more entries	03	03
	▪ Makes 5 or more entries	02	
	▪ Makes 1 or more entries	01	
	▪ Makes No/wrong entries	00	
	▪ Total	02	02
	▪ One total	01	01
	▪ No/wrong total	00	

### JAMILAH DEALERS' INCOME STATEMENT FOR THE YEAR ENDED 31.12.2023

Particulars	Amount	Amount	Amount
	Shs	Shs	Shs
Sales			
Less: Returns inwards		10,400,000	
Net sales		<u>600,000</u>	
Less Cost of sales			9,800,000
Opening stock		1000,000	
Add: purchases	5600,000		
Less: purchases returns	<u>40,000</u>		
Net: purchases		5,560,000	
Cost of goods available for sale.		6,560,000	
Loss: closing stock		1,200,000	
Cost of sales			5,360,000
Gross profit			4,440,000
Add: Discount received			<u>90,000</u>
Gross income			4,530,000
Less: <u>Operating Expenses</u>			
Advertising		140,000	
Insurance		80,000	
Transport		210,000	
Rates		110,000	
Discount allowed		150,000	
Salaries		<u>700,000</u>	
Total expenses			1,390,000
Net profit			3,140,000
			3,140,000

Capital and liabilities	Shs	Shs	Assets	Shs	Shs
Capital	6,300,000		Fixed Assets		
Add: Net profit	3,140,000		Premises	4,800,000	
	9,440,000		Equipment	2,800,000	
Less: Drawings	120,000	9,320,000	Shop fittings	500,000	8,100,000
Equity.			Total fixed Assets		
Current Liabilities			<u>Current Assets</u>		
Creditors	860,000		Stock		
Overdraft	370,000	1,230,000	Debtors	1,200,000	
Total current liabilities		10,550,000	Cash	1,200,000	2,450,000
			Total current Assets	50,000	10,550,000

**Item 5**

Festus, Fatumah and Fausta are Ugandan citizens employed by ODOI ENTERPRISES and earn Shs. 800,000, Shs. 400,000, and Shs. 300,000 respectively as gross PAYE per month, but they keep on complaining that they are not aware of how what they pay as income tax is arrived at which their boss cannot explain.

**Task:**

Use the PAYE rates below to calculate income tax per month for each employee.

Chargeable monthly income	Tax rate
1. Not exceeding shs235,000	Nil
2. Exceeding shs 235,000 but not exceeding shs335,000	10% of the amount by which chargeable income exceeds Shs. 235,000
3. Exceeding shs 335,000 but not exceeding shs 410,000	Shillings 10,000 plus 20% of the amount by which chargeable income exceeds Shs. 335,000
4. Exceeding shs410,000	a) Shs. 25,000 plus 30% of the amount by which chargeable income exceeds Shs. 410,000 b) Any additional 10% of the amount by which chargeable income exceeds shs10,000,000

Basic tax computations	1. Income tax computations	Compute Income Tax Festus Formular No/wrong formular Substitution No/wrong substitution Answer No/wrong answer Fatumah Formular	01	01
			00	01

	No/wrong answer	00	
	Substitution	00	
	No/wrong answers	02	01
	Answer	00	
	No/wrong answer	01	01
	Fausta	00	
	Formular	00	
	No/wrong formular	00	
	Substitution	01	01
	No/wrong substitution	00	
	Answer	01	
	No/wrong Answer	00	03
2. VAT computations	Compute VAT	03	03
	Formular	00	
	No/wrong formular	03	
	Substitution	03	03
	No/wrong substitution	03	
	Answer	00	
	No/wrong Answer		

(a) Festus' income Tax = Shs 25,000 plus% of the amount by which chargeable income exceeds Shs 410,000.

$$\begin{aligned}
 &= 25,000 + \frac{30}{100} (800,000 - 410,000) \\
 &= 25,000 + \frac{30}{100} \times 390,000 \\
 &= 25,000 + 117,000 \\
 &= \underline{\text{Shs } 142,000}
 \end{aligned}$$

Fatumahs' income Tax = Shs 10,000 plus 20% of the amount by which chargeable income exceeds shs 335,000

$$\begin{aligned}
 &= 10,000 + \frac{20}{100} (400,000 - 335,000) \\
 &= 10,000 + \frac{20}{100} \times 65,000 \\
 &= 10,000 + 13,000 \\
 &= \underline{\text{Shs } 23,000}
 \end{aligned}$$

Faustas' income Tax = 10% of the amount by which chargeable income exceeds Shs 235,000

$$\begin{aligned}
 &= \frac{10}{100} (300,000 - 235,000) \\
 &= \frac{10}{100} \times 65,000 \\
 &= \underline{\text{Shs } 65,00}
 \end{aligned}$$

b). In the month of May 2024, ODOI enterprises bought goods for shs. 7,400,000(VAT exclusive) and he sold these goods for shs. 11,800,000 (VAT exclusive). The transactions were carried out with VAT registered business.

Task:

Using 18% VAT rate, calculate VAT,

i. Paid by ODOI ENTERPRISES on purchases

VAT on purchases = VAT rate × purchases value

$$= \frac{18}{100} \times 7400,000$$

= Shs 1,332,00

ii. Received by ODOI ENTERPRISES on sales

VAT on sales = VAT rate × sales values

$$= \frac{18}{100} \times 11,800,000$$

= Shs 2,124,000

iii. Paid by ODOI ENTERPRISES to Uganda Revenue Authority.

VAT to URA = output VAT - input VAT

$$= 2,124,000 - 1332,000$$

= Shs 792,000

END