

**KIYALA HIGH SCHOOL**  
**END OF TERM ONE ASSESSMENT TEST - 2024**  
**ENTREPRENEURSHIP**

**Paper 1**

**S.3**

**2 Hours 30 minutes**

**INSTRUCTIONS**

- *This paper consists of two sections A and B. It has **four** examination items.*
- *Section A is **compulsory**.*
- *Answer **one** item from section B*
- *Any additional item answered will not be scored*

**SECTION A**

*Attempt **all** the items in this sections.*

**Item 1**

“*Unity is power*” is a youth organization in Ngora district, comprising of a number of youth who have been working together to get money to start and operate a joint poultry business. One of them offered the land he inherited from his parents at Kobwin village to put on the business due to its strategic location, big size and nearness to a water source. They have been saving money and have now raised five million shillings (5,000,000 shs).

However, many of them still have fear to start a business thinking that they may fail and lose their money. Therefore they have approached you as a student of senior three to talk to them about how they can start and operate a business.

***Task***

Explain to the youth of “*Unity is power*” on,

- a) The forms of investments. (05 scores)*
- b) The reasons for saving and investments. (05 scores)*

**Item 2**

Ekellot has an acre of land next to a lake. He has saved Uganda shillings eight million (8,000,000 shs.) and would like to use resources to start a business. However, he is not sure of what to do.

***Task***

Use your entrepreneurial skills to guide Ekellot,

a) Select available type of business. (05 scores)

b) Budget for the selected business. (05 scores)

### **Item 3**

John owns a bakery in a trading centre in his home area. He recruited employees who start working from 5:00 am to 11:00 pm at a pay of Uganda shillings one thousand five hundred (1,500 shs.) per day yet none of them has a working contract. The town council authorities have threatened to close John's business for not paying taxes. John does not know the taxes to pay. At times, customers return bread bought by John claiming that it weighs less than what is indicated on the label.

#### ***Task***

a) What are the likely effects of John's behaviour on the business? (05 scores)

b) Explain to John how he should solve the challenges in the scenario. (05 scores)

## **SECTION B**

*Attempt one item from this section*

### **Item 4**

Alex a wholesaler in Kumi municipality had the following transactions for the month of march 2021.

<b><i>Date</i></b>	<b><i>Transactions</i></b>	<b><i>Amount</i></b>
March 1 <sup>st</sup>	Started business with cash	100,000shs.
2 <sup>nd</sup>	Bought goods in cash.	40,000shs.
	Deposited money into the bank.	20,000shs.
	Paid transport by cash.	150,000shs
	Sold goods by cash.	35,000shs.
	Paid water by cash.	15,000shs.
	Bought goods from Rita	50,000shs.
	Returned goods to Rita	20,000shs.

	Received cash from Betty.	80,000shs.
	Paid Stella in cash.	30,000shhs.
	Promised to pay Asio.	20,000shs.
	Cleared for electricity in cash.	10,000shs.
	Ariko paid us cash.	150,000shs.
	Cash sales.	100,000shs.
	Withdrew cash for personal use.	5,000shs.
	Paid for transport by cash.	2,000shs.

***Task***

Prepare for Alex a cash account and balance it off.

***(10 scores)***

**Item 5**

In may 2021, Atukei's cashier left for another job before preparing the financial statements for he business. The cashier left the details obtained from the ledger balances of the supermarket for the year ending 31<sup>st</sup> December 2021 as follows;

<b><i>Items</i></b>	<b><i>Amount shs.</i></b>
Capital	6,850,000
Sales	5,200,000
Purchases	3,800,000
Cash at hand	5,720,000
Furniture	600,000
Discount received	400,000
Refrigerator	1,200,000
Creditors	870,000
Repairs for refrigerators	320,000
Drawings	1,100,000
Electricity	1,440,000

Salaries and wages	1,800,000
Stock of food items (31/12/2020)	720,000
Bank loans	2,660,000

However, Atukei is too busy to complete the process.

***Task***

- a)*** Check the arithmetic accuracy of the ledger balances. ***(05 scores)***
- b)*** Determine the profit or loss made by the business. ***(05 scores)***

**END**