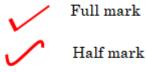
MATIGO EXAMINATIONS BOARD





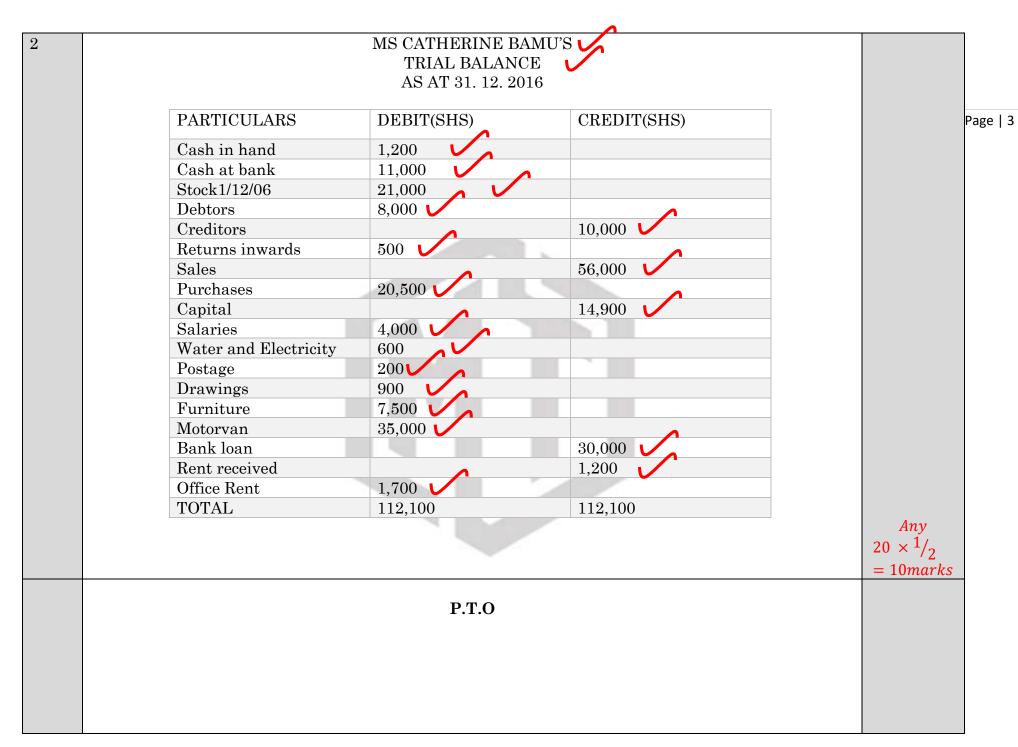
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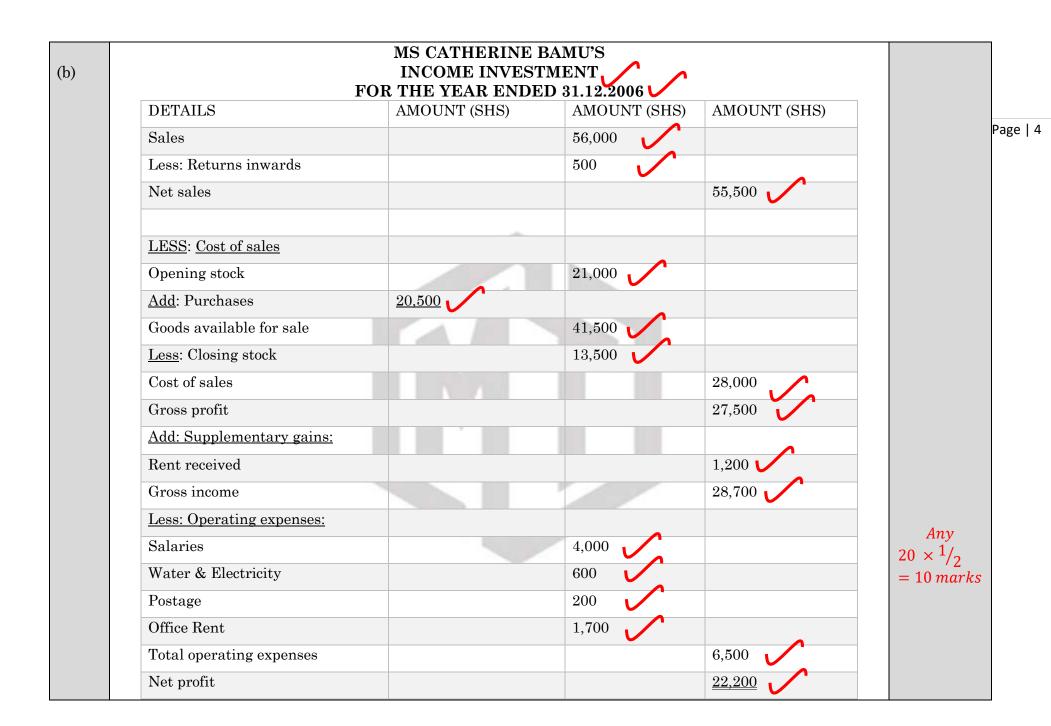
ENTREPRENEURSHIP EDUCATION

MARKING GUIDE 2023 PAPER 1

Qn	Answers	marks
1(a)	A letter of inquiry to a potential landlord shall include; Name and address of the business Business logo Document identity Document number Date of writing the letter Address of the business/person written to Salutation. Dear Sir/Madam Opening statement i.e. please quote us the price/cost of hiring the premises. Description table Description of rooms/premises Size/length of rooms Complementary clause i.e. yours faithfully Signature of the officer Name and title of the officer Frame	
		Any $12 \times \frac{1}{2}$ $= 06 marks$
(b)	 Measures employed to capture market include Giving the business a distinctive name Offering cheap services Advertising the business 	

			_
	 Sponsoring sports activities 		
	 Involving in personal selling 		
	 Renovation of the business premises 		
	Offering credit facilities		
	 Showing excellent knowledge of business and its services 		Page 2
	• Being polite to customers		
	 Organizing prize winning contests 	Any	
	 Providing sufficient information on use of the product service. 	$7 \times 1 mark$	
	Providing required after sales services.	= 07 marks	<u> </u>
©	Guideline to ensure safety of business cash include;		
	• Title i.e. Business and address & statement		
	guidelines to ensure safety of business cash		
	 Banking all cash received on daily basis shall be done 		
	 Employing auditors surprisingly to check for errors & fraud made by workers in the cash 		
	department shall be done		
	 All cash received shall be documented and accounted for physically at the end of each day 		
	 All cash in the business premises shall be kept under lock & key not exposed to any one 		
	 Business shall avoid using cash for personal matters 		
	 All cash payments shall be documented and authorized by the entrepreneurship personally/ assigned officer 		
	The business shall get regular bank statements and carry out daily cash reconciliation	Any	
	• Training of all workers on financial management matters shall be done through workshops	$6 \times 1mark$ = $06 marks$	
(d)	Ethical practices exhibited by the business towards customers include;		
	• Honestly		
	• Courtesy		
	• Geniality		
	• Responsibility		
	 Increasing productivity to enable customers get what they want. 		
	 Understanding customer's needs in order to satisfy them. 		
	 Ensuring that products produced/ offered have no adverse effects. 	Any	
	 Providing sufficient information on use of the product/ service 	$6 \times 1 mark$	
	• Providing required after-sales services.	= 06 marks	





(i)	Working capital ratio = $\frac{Current \ Assets}{Current \ Liabilities}$ $But \ current \ Asset = Cash \ in \ hand + cash \ at \ bank + Debtors + Closing \ stock$		
	= Shs. 1200 + shs 11,000 + Shs. 8,000 + Shs. 13,500 $= Shs 33,700$		Page 5
	Therefore, Working capital = $\frac{Shs.33700}{Slocation}$		00 3
	Therefore, capital = 3.37% Shs.10000	3marks	
(ii)	Debtors collection period = $\frac{Debtors}{Sales} \times 365 \ days$ = $\frac{Shs. 8,000}{Shs. 56,000} \times 365 \ days$		
	= 52 days	2 marks	
3(a)	A letter to the health inspector should have the following contents; Name and address of the business Items dealt in by the business Business logo Date Our ref /your ref Name and address of the inspector Salutation Subject line/Reason Body i.e. introduction, purpose, terms of operation Complementary clause Signature, Name, and title of officer writing Provision for other officers that have received copies Provision for enclosure if any Frame.	Any $14 \times \frac{1}{2}$ $= 07 \text{ marks}$	
(b)	Different types of business laws being abided by when operating the restaurant include • Environmental Law • Business Name and Registration Act • Trade Licensing Act • Business Protection Law • Weight and Measurements Act		

	Food and Drug Act		
	Consumer Protection Law	Any	
	Company Law	$4 \times 2marks$	
		= 08marks	
(c)	 Measures put in place to improve quality of service delivery include; Using high quality raw materials i.e food materials Employment of qualified workers to manage the production process e.g. cooks and chef. Servicing the machine to ensure efficiency e.g. Juice blenders, micro waves etc. Proper and immediate packaging of the restaurant products e.g. snacks. Ensuring proper storage of raw materials and finished products. Ensuring proper hygiene at all times in the work place. Giving clear instructions to workers regarding the production process. Ensuring proper hygiene at all times in the work place. Giving clear instructions to workers regarding production process. Ensuring proper supervision of worker especially cooks in the kitchen. Using appropriate distribution channels to avoid tempering with the product's quality. Carrying out research into better production methods. Motivation of workers for example paying them on time. Setting and adhoring to the quality standards of the restaurant 	Any 6 × 1mark	Page 6
(1)	 Setting and adhering to the quality standards of the restaurant. Checking quality of the production process 	= 06 marks	
(d)	 Provision of goods and services i.e. snacks, drinks, local foods etc. Provision of employment opportunities to community members Contribution to community development programmes for example finding sports galas Payments of taxes to local government that is used to provide services to community e.g. local service tax. Helping in cleaning of environment Providing market to community local products for example food materials It may be used as study centre i.e. research purposes May provide security to community Leads to urbanization with in the area with its associated benefits 		
	Facilitates development of infrastructures.	Any $5 \times 1mark$ $= 05marks$	

			1
4(a)	 Taxes act as a source of government revenue which is used to provide social services to the public Taxes protect domestic industries from competition of cheap commodities from other countries. Taxes help to reduce income inequality in society especially between the rich and the poor. They help to reduce dumping of goods in a country with all it's negative effects Help to restrict the consumption of certain commodities which may be harmful to people's health e.g. cigarettes. Help to redistribute income and wealth in the country i.e. progressive tax system. They help to reduce inflation by reducing people's disposable income. Help the community to recover wealth which individual have obtained not as a result of their efforts. 	Any $5 \times 1 marks$ $= 05 marks$	Page 7
(b)	An employee earning a gross salary of Shs. 600,000 falls in income brackets (4) four	oontants	
, ,	PAYE = Shs. 25,000 + 30% Shs (600,000 - 410,000)		
	PAYE = Shs. 25,000 + $(\frac{30}{100} \times Shs. 190,000)$		
	PAYE = Shs. 25,000 + Shs. 57,000		
	PAYE = Shs. Shs. 82,000	06 marks	
©	VAT Paid to URA = Out put VAT – Input VAT		
	where output $VAT = Sales \ value \times VAT \ rate$		
	$= Shs \ 4,800,000 \times \frac{18}{100}$ $= Shs \ 864,000$		
	Input $VAT = Purchases value \times VAT Rate$		
	$= Shs \ 2,500,000 \ x \ 18/100$ $= Shs \ 450,000$		
	Therefore, VAT paid to $URA = Shs. 864,000 - Shs. 450,000$		
	= Shs. 414,000		
(3) (1)		05 marks	
(d)(i)	The following are the ways through which business evade taxes in Uganda		
	 Under declaring business assets 		
	Under declaring business profits		
	• Overstating business expenses	4	
	Corrupting tax officialsSmuggling.	$\begin{array}{c} Any \\ 4 \times 1 \ mark \end{array}$	
	▼ Dilluggillig.	= 04 marks	

	•	The business Business oper	loses governa cations are in usiness reduced d a criminal c	nes and penalties ment tenders and terfered with. se due to selling to offence.	l contractors			Any $5 \times 1 mark$ $= 05 marks$	Page 8
5(a)	XYZ I	Document ide Loan amount Bank i.e Interest rate	entity i.e. loar i.e. <i>Shs</i> . 2,000 2%	D ADDRESS a repayment school,000	edule			oo marks	
		Period i. e. 2023	Loan size Shs.	Principal Amount (shs)	Loan Interest	Total Repayment (Shs)	Outstanding balance Shs		
		January	2,000,000	400,000	40,000	440,000	1,600,000		
		Feb	1,600,000	400,000	32,000	432,000	1,200,000		
		March	1,200,000	400,000	24,000	424,000	800,000		
		April	800,000	400,000	16,000	416,000	400,000		
		May	400,000	400,000	8,000	408,000	0		
		TOTAL		2,000,000	120,000	2,120,000			
			Name		Name:	Received (Lender)b		Any 30 entries $\times \frac{1}{5}$ $= 06 \text{ marks}$	

(b)	Risks that may affect the poultry project include;		
	 Outbreak of diseases e.g. New castle, cocidiosis Seasonal changes in market for poultry products Wrong decision making Death of birds Thunder and lightening Fire outbreak Theft of poultry products, cash, tools and equipment Breakage of products e.g. eggs Rising levels of competition High prices /fluctuating prices for poultry feeds & vaccines Unexpected fall in prices of poultry products e.g. eggs. Failure to attract enough customers Brake down in supply of inputs Cannibalism e.g. hen eating eggs Noise that may affect laying rate of birds. Fake feeds/ substandard feeds. 	Any 6 × 1 mark = 06 marks	Page 9
(c)	Step followed to develop a business plan for the business include;	oo mana	-
	 Business Name and Address & Document Name i.e. steps followed when developing a business plan. Identifying a business opportunity i.e. poultry rearing Conducting a market survey/research Collecting / gathering relevant information about the project. Drafting a business plan Discussing the drafted business plan with knowledgeable people. Finalizing the business plan. Preparing an action plan / implementation plan. 	Any $7 \times 1 \ mark$ $= 07 \ marks$	
(d)	 Policy guidelines to be followed to ensure proper management of borrowed funds include Name and Address of the business Document Name i.e. guideline to follow in ensuring proper management of funds The borrower shall ensure proper supervision and monitoring of business finances Employing of skilled personnel 		

- Attending seminaries and workshops on matters related to fund management.
- Communicating to the lender about major changes taking place in the business.
- Using the loan for its intended purposes
- Seeking advice from the lender and other related successful entrepreneurs on matters to do with the bank loan.
- Proper documentation/ recording of the loan i.e. amount, interest, principal amount and loan size.
- Prepared and approved by...... Loan officers and borrower respectively.

Any $6 \times 1 \ mark$ $= 06 \ marks$

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N.B: Shall must be used in the points given

