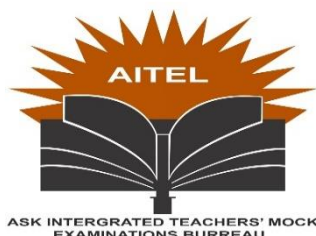


**845/1**  
**ENTREPRENEURSHIP**  
**EDUCATION**  
**Paper 1**  
**July/Aug. 2022**  
**2 ½ hours**



# **AITEL JOINT MOCK EXAMINATIONS**

**Uganda Certificate of Education**  
**ENTREPRENEURSHIP EDUCATION**

**Paper 1**

**2 hours 30 minutes.**

## **INSTRUCTIONS TO CANDIDATES:**

*Answer any **four** questions.*

***All** questions carry equal marks.*

*Any additional question(s) answered **will not** be marked.*

*Credit will be given for use of relevant diagrams and illustrations.*

1. You are operating a milk processing plant in town.
  - (a) What **factors** would you consider to select and buy the right type of machinery for your project? (08 marks)
  - (b) Outline the various steps you are to follow when insuring your project with your chosen insurance company. (05 marks)
  - (c) Draft a **memo** to the production manager for attention towards complaints about quality of products. (05 marks)
  - (d) Design a suitable **advert** to be used in newspapers advertising you plant. (07 marks)

2. Ongombi Richard started business with cash of Shs. 800,000 on the 1<sup>st</sup> November 2017.

November	Shs.
2 <sup>nd</sup> . bought goods by cash	40,000
3 <sup>rd</sup> . opened a bank account and deposited	200,000
4 <sup>th</sup> . cash sales	320,000
5 <sup>th</sup> . sold goods and received a cheque	140,000
6 <sup>th</sup> . cash sales paid direct into the bank	67,000
7 <sup>th</sup> . cash purchases	85,000
8 <sup>th</sup> . paid electricity by cheque	20,000
10 <sup>th</sup> . cash sales	200,000
14 <sup>th</sup> . bought a calculator by cash	30,000
15 <sup>th</sup> . bought a wheel barrow by cheque	35,000
17 <sup>th</sup> . purchased goods by cheque	30,000
19 <sup>th</sup> . cash sales	365,000
20 <sup>th</sup> . purchased goods by cheque	30,000
22 <sup>nd</sup> . cash sales paid immediately into bank	317,000
23 <sup>rd</sup> . sold goods on credit to Lorika	52,000
26 <sup>th</sup> . received a cheque from Lorika worth	45,000
27 <sup>th</sup> . sold goods for cash	150,000
28 <sup>th</sup> . Lorika cleared his balance by cash	

29<sup>th</sup>. cash sales

35,000

**Required;**

(a) Prepare Ongombi Richard's **two column cashbook** and balance it at the end of the month. (15 marks)

(b) Open the relevant **ledger accounts**. (10 marks)

3. You plan to establish a small-scale bakery.

(a) List the **requirements** for the project (05 marks)

(b) Mention any **eight** tasks you would perform as a manager of the project. (08 marks)

(c) What **factors** would you consider when recruiting employees for your business. (05 marks)

(d) Design a **sign post** for advertising your products. (07 marks)

4. The following information was extracted from the books of ABC ltd for the year 2015.

<b>Item</b>	<b>Shs</b>
Purchases	4,000,000
Sales	9,500,000
Discount allowed	50,000
Discount received	45,000
Rent	160,000
Rent received	550,000
Insurance	350,000
Carriage outwards	280,000
Electricity	250,000
Salaries	220,000
Bad debts	140,000
Office expenses	150,000
Carriage in wards	180,000
Returns inwards	50,000
Returns outwards	100,000

Stock (1 Jan 2015) 1,000,000

Stock (31 Dec 2015) 300,000

**Prepare**

(a) Trading, profit and loss account for the year ended 31<sup>st</sup> December 2015 (15 marks)

(b) Compute;

(i) Average stock. (03 marks)

(ii) Rate of stock turn. (04 marks)

(iii) Net profit margin. (03 marks)

5. After O' level you and a few of your classmates have decided to collect Shs. 10,000,000 to start a second hand shoe partnership business.

(a) Prepare a **budget** for working capital requirements of the business. (05 marks)

(b) Draft a **partnership** agreement for your business (08 marks)

(c) What **methods** will you use to promote sales for the partnership. (08 marks)

(d) Explain the circumstances that may lead to **dissolution** of your partnership. (04 marks)

**END**

