

845/1
ENTREPRENEURSHIP
EDUCATION
Paper 1
2022
2 ½ hours

MATIGO MOCK EXAMINATIONS
Uganda Certificate of Education
ENTREPRENEURSHIP EDUCATION
Paper 1
2 hours 30 minutes

INSTRUCTIONS TO CANDIDATES:

*Answer **four** questions only.*

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

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

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

1. You are planning to establish a dairy plant after receiving a grant from the Uganda Manufacturers' Association.
 - a) Explain the factors you will consider when selecting a site for your business (8 marks)
 - b) Draw an organizational chart for your business (7 marks)
 - c) Show how the community will benefit your business (4 marks)
 - d) What challenges are you likely to face in the business? (6 marks)

2. MATIGO SHOPPERS commenced business on 1st September 2015 with capital shs 1,000,000 at Centenary bank.

He instructs his accountant to maintain a cash book. He also maintains a petty cash book for payments not exceeding shs50, 000. The petty cash book is to be analyzed into;

Travelling

Salaries and wages

Postage and stationery

General expenses

The following transactions took place.

	Shs
September 2 nd withdrew from bank for office petty cash	200,000
2 nd Bought from Onyango goods worth	410, 000
3 rd Purchased goods paying by cheque	89,000
7 th Sold goods for cash	100,000
7 th Transferred cash to bank	93,000
8 th Paid wages in cash	19,100
10 th Paid for stamps and envelopes	15,000
12 th Sent fax to London	25,000
14 th Cash Sales to date	104,600
14 th Paid Onyango by cheque	210,000

15 th Paid cash into bank	104,000
17 th Paid Jumbo Petrol Station for fuel	35,000
19 th Sold goods to Aseku	187,100
21 st Paid wages in cash	19,000
22 nd Paid Taxi – hire	11,000
23 rd Paid rent in cash	20,000
26 th Paid for window display repair	3,480
27 th Paid Cash into Bank	159,000
27 th Received cash from sales	77,600
28 th Paid wages in cash	19,000
30 th Paid Salaries by cheque	100,000

Required to prepare MATIGO SHOPPERS

- i) Two column cash book for the month of September. *(10 marks)*
 - ii) Petty cash book for the month of September *(15 marks)*
3. You intend to start a project engaged in the production of juice in your local area
- a) What factors will you consider when purchasing the raw materials for your project? *(8 marks)*
 - b) Describe the forms of written communication you are likely to use when communicating to your employees *(5 marks)*
 - c) Outline the elements you will put in the contract for the supply of juice to a super market. *(6 marks)*
 - d) Design a cash sale slip you will use in your business. *(6 marks)*

4. The following balances were extracted from the books of MAYUGA ENTERPRISES on 31st December 2017

	Shs
Sales	7,200,000
Stock (01.01.2017)	1,200,000
Sales return	1,600,000
Stationary	600,000
Purchases	10,000,000
Purchases returns	1,400,000
Creditors	1,200,000
Bank balance	1,520,000
Carriage on sales	1,200,000
Debtors	1,800,000
Insurance premium	240,000
Good will	2,400,000
Furniture	960,000
Stock (31.12.2017)	1,960,000
Salaries and wages	2,000,000
Cash in hand	480,000
Transport	200,000
Drawings	800,000

Required to:

- a) Prepare a Trial Balance for the above business to establish the capital amount
(10 marks)
- b) Prepare MAYUGA ENTERPRISES trading and profit and loss account for the period ending 31st December 2017 using vertical format.
(8 marks)
- c) Calculate
 - i) Fixed capital
(2 marks)
 - ii) Acid test ratio
(3 marks)
 - iii) Working capital
(2 marks)

5. BUMAALI enterprises employs several workers who are entitled to allowances
- List **four** examples of Non – Tax Revenue (NTR) Bumaali enterprises may meet (4 marks)
 - In the month of May 2016, Bumaali enterprises had VAT exclusive transactions with VAT registered enterprises as follows.
 - Bought goods worth shs 3,000,000
 - Sold them at shs 4,000,000

Calculate:

- VAT paid to Uganda Revenue Authority by BUMAALI enterprises (use 18% as VAT rate) (5 marks)
- Total sales price that BUMAALI should charge to the consumer (3 marks)
- Owunya Peter, an employee of BUMAALI enterprises earns a gross salary of shs 4,200,000 per year. The employer uses the monthly PAYE tax rates below to calculate PAYE deductions.

	Chargeable monthly income	Tax rate
1.	Not exceeding shs 235,000	Nil
2	Exceeding shs 235,000 but not exceeding shs 335,000.	10% of the amount by which chargeable income exceeds shs 235,000.
3.	Exceeding shs 335,000 but not exceeding shs 410,000	Shs 10,000 plus 20% of the amount by which chargeable income exceeds shs 335,000
4.	Exceeding shs 410,000	Shs 25,000 plus 30% of the amount by which chargeable income exceeds shs 410,000.

Required:

- Calculate the monthly amount of PAYE deduction for Owunya Peter. (5 marks)
- Explain **four** benefits BUMAALI enterprise gets from paying taxes (8 marks)

END