

845/1
ENTREPRENEURSHIP
EDUCATION
Paper 1
Jul./Aug. 2023
2½ hours



WAKISO-KAMPALA TEACHERS' ASSOCIATION (WAKATA)

WAKATA MOCK EXAMINATIONS 2023

Uganda Certificate of Education

ENTREPRENEURSHIP EDUCATION

Paper 1

2 hours 30 minutes

INSTRUCTIONS TO STUDENTS:

Answer only four questions.

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 have just obtained enough funds to start a bakery business in your home area.
 - (a) Outline seven requirements for the business (07 marks)
 - (b) Explain the factors you will consider when choosing the site for the business. (08 marks)
 - (c) Describe the various laws you will abide by when operating the business. (06 marks)
 - (d) How will your business benefit the local community? (04 marks)

2. The following balances were extracted from the books of **Magulu Traders** for the year ended 31st/Dec, 2020
Shs.

Opening stock	6,700,000
Land	19,000,000
Sales	29,700,000
Premises	2,500,000
Purchases	12,400,000
Electricity	2,700,000
Insurance	4,000,000
Discount Received	2,600,000
Salaries and Wages	5,000,000
Discount Allowed	1,300,000
Motor Van	4,800,000
Advertising	1,000,000
Drawings	2,500,000
Debtors	7,000,000
Creditors	6,300,000
Bank Overdraft	3,800,000
Plants and Machinery	8,100,000
Bank	6,000,000
Cash	4,000,000
Capital	44,600,000
Closing stock	3,000,000

Required to:

- (a) Extract Magulu Traders Trail Balance as at 31st/Dec,2020 (12 marks)
 - (b) Prepare a Trading, Profit and Loss Account for the year ended 31st/Dec, 2020. (13 marks)
3. You have acquired a loan of Shs. 10,000,000 to start a restaurant business.
 - (a) Prepare a budget for the pre-operating expenses for the above shillings. (07 marks)
 - (b) Explain the methods you will use to promote the products. (07 marks)
 - (c) Design a sign post for the business (06 marks)
 - (d) Write a letter to the LC 3 of the area asking for a trading license. (05 marks)

4. You have been present with the following balances of **Mukanjanga Enterprises** for the year ended 30th/June, 2018

	Shs.
Premises	12,000,000
Fixtures and Fittings	8,700,000
Opening stock	2,000,000
Loan 1 year	1,500,000
Debenture	3,100,000
Debtors	7,000,000
Drawings	3,000,000
Bank	5,900,000
Purchases	9,500,000
Net sales	38,800,000
Closing stock	4,200,000
Creditors	2,000,000
Total Expenses	4,600,000
Capital	8,300,000

Required: Use the balances to:

- (a) Determine:
 - (i) Gross Profit (03 marks)
 - (ii) Net Profit for the business (03 marks)
 - (b) Prepare a balance sheet as at 30th/June, 2018 (10 marks)
 - (c) Calculate the following
 - (i) Markup (03 marks)
 - (ii) Current ratio (03 marks)
 - (iii) Rate of stock turn (03 marks)
5. You are an entrepreneur running business are paying taxes to the tax authorities.
- (a) List any five direct taxes that your business is paying (05 marks)
 - (b) What is the importance of taxes? (06 marks)
 - (c) Meeme is employed and earning a gross salary of Shs. 400,000 per month.

The employer uses the monthly PAYE tax rates below to calculate PAYE deductions.

	Chargeable Monthly Income	Tax Rates
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:

- (a) Calculate the annual amount of PAYE deductions for Meeme (10 marks)
- (b) Outline the roles of Uganda Revenue Authority (04 marks)

