

**845/1**

**ENTREPRENEURSHIP**

**EDUCATION**

**Paper 1**

**July/August 2022**

**2 ½ Hours**

**SECONDARY SCHOOLS JOINT MOCK EXAMINATIONS, 2023**

**Uganda Certificate of Education**

**ENTREPRENEURSHIP EDUCATION**

**PAPER 1**

**2 hours 30 minutes**

**INSTRUCTIONS**

*Answer any **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*

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**Turn over**

1. You intend to start a restaurant in your home area;

(a) State four objectives of the business.

4 marks

(b) Describe the steps you will follow when preparing a business plan for the project.

10 marks

(c) Prepare an organizational plan for your business.

6 marks

(d) What five factors will you consider when determining the working capital requirements for your business?

5 marks

2. The treasurer of the entrepreneurship club canteen in your school presented the following financial statements to the members in their meetings;

Entrepreneurship club canteen income statement for the period ended 31/12/2022 (summary)

Net sales	240,000,000
Less cost of goods sold	<u>180,000,000</u>
Gross profit	60,000,000
Less operating expenses	<u>25,000,000</u>
Net profit	35,000,000

Note the opening stock at the start of 2022 was shs. 23,000,000

Entrepreneurship club

Balance sheet as at 31/12/2022

	Shs	Shs	Fixed assets Shs	Shs
Capital	89,000,000		Buildings	82,000,000
Add net profit	<u>35,000,000</u>		Furniture	50,000,000
	124,000,000			
Less drawings	<u>10,000,000</u>	114,000,000	Current assets	
			Stock	47,000,000
Long term liab			Debtors	38,000,000
5 year loan from teachers			Bank	25,000,000
SACCO		72,000,000	Cash	18,000,000
Current Lia				
Bank overdraft	34,000,000			
Creditors	<u>40,000,000</u>			
Total current liabilities		<u>740,000,000</u>		
		260,000,000		<u>260,000,000</u>

**Required;**

- (a) Calculate the following ratios;
- (i) Gross profit margin. **3 marks**
  - (ii) Net profit to sales ratio **3 marks**
  - (iii) Net profit to owners equity **3 marks**
  - (iv) Acid test ratio. **3 marks**
  - (v) Stock turn over. **3 marks**
  - (vi) Fixed assets turn over. **3 marks**
  - (vii) Debt to owners equity (fearing ration) **3 marks**
- (b) Interpret the following ratios in relation to 5(a) above.
- (i) Debt to owners equity. **2 marks**
  - (ii) Net profit to sales. **2 marks**
3. You are operating a juice processing plant in your home area and you are entering into a contract with the manager of a nearby school to supply juice to the school canteen.
- (a) Prepare terms and conditions which will govern the contract. **7 marks**
  - (b) Prepare an invoice to the director for the juice supplied for the previous week. **6 marks**
  - (c) Write a receipt for the amount received in respect to the invoice sent. **5 marks**
  - (d) Prepare the hygiene guidelines to be observed by the workers in your business. **7 marks**
4. The following information was extracted from the books of Musoke during the month of March 2021.
- 1<sup>st</sup> March sold the following goods to Claire.
- 2 cartons of clothes at 350,000 shs. each
  - 4 boxes of soap at shs. 20,000 each.
  - 3 cartons of shoes at shs. 20,000 each.

5<sup>th</sup> March purchased these goods from honey well suppliers,

- 30 iron sheets at shs. 28,000 each.
- 20 bags of Hima cement at 30,000 each.
- 15 boxes of pickfare books at shs. 15,000 each

In each case, he received a 10% discount.

9<sup>th</sup> March Claire returned the following goods

- 1 box of soap
- ½ carton of clothes

10<sup>th</sup> March purchased from PEPE the following goods;

- 6 cartons of shirts at shs. 150,000 each.
- 9 pipes at shs. 8,000 each
- 12 cartons of Chinese bolts at shs. 200,000 each

14<sup>th</sup> March returned the following goods to honey well suppliers;

- 5 iron sheets
- 2 bags of cement
- 1 box of picfare books

18<sup>th</sup> March sold goods worth shs. 500,000 to Juma who received a discount of 5%.

24<sup>th</sup> March purchased the following items from Kwagala and sons limited.

36 pangas at shs. 300,000

20 trousers at shs. 700,000

26<sup>th</sup> March the business returned goods worth shs. 150,000 to PEPE.

27<sup>TH</sup> March issued an invoice worth shs. 900,000 to Hashim.

30<sup>th</sup> March Hashim returned goods worth 150,000 to the business.

**Required;**

Prepare relevant subsidiary books for the transactions above and the necessary ledger accounts.

**25 marks**

You are operating a furniture workshop producing various types of products;

- (a) Explain factors to consider when selecting and buying the right type of machinery and equipments to use. **8 marks**
- (b) Give steps to be followed when insuring the project. **5 marks**
- (c) Write a memo to your workers informing them to be more serious with their work. **5 marks**
- (d) Design a newspaper advert for your business. **7 marks**

**END**