

845/1
Entrepreneurship Education
Paper 1
July/August 2022
2½ hours

BUGANDA EXAMINATIONS COUNCIL MOCKS

Uganda Certificate of Education

ENTREPRENEURSHIP EDUCATION

PAPER ONE

2HOURS 30 MINUTES

INSTRUCTIONS TO CANDIDATES:

- Choose any **four** questions.
- All questions carry equal marks

1. You intend to start a business after completing senior four
 - (a)(i) Identify a business project you will take up. (03marks)
 - (ii) Give reasons to support your answer. (05marks)
 - (b) How will you raise capital? (02marks)
 - (c) How will your business benefit the community? (05marks)
 - (d) How will you promote your business? (05marks)
 - (e) Why would you ensure quality? (05marks)

2. The following information was obtained from the books of Kabiite enterprises for the month of January 2012.

2012

Jan. 1st

The business had the following balances

Cash at hand	shs. 3,000,000
Overdraft	shs. 500,000
Creditors	shs. 800,000
Debtors	shs. 1500,000

Jan.	4 th	Deposited cash shs. 1,000,000 in the bank
	4 th	bought more goods on credit shs. 1200,000
	4 th	purchased as machine shs. 400,000 cash and received a discount of 5%
	5 th	paid rent by cheque shs. 100,000
	8 th	cash sales paid directly unto the bank shs. 2,700,000
	8 th	purchased goods of shs. 600,000 in cash
	8 th	purchased more furniture by cheque shs. 100,000
	15 th	sold goods on credit shs. 400,000
	18 th	cash sales shs. 1,300,000
	20 th	withdrew cash from the bank for business use shs. 1,800,000
	20 th	withdrew shs. 200,000 cash for own consumption
	20 th	withdrew goods worth shs. 400,000 for personal use.
	24 th	received cash from debtors in full settlement
	24 th	paid all creditors fully by cheque less 2½% discount
	25 th	received a cheque from Kyanna enterprises of shs. 1,000,000 less 5% discount.
	26 th	paid cash shs. 700,000 in the bank
	30 th	paid rent shs. 200,000 in cash

Required:

- (i) Prepare a three column cash book fully balanced.

- (ii) Open up relevant ledgers to record the above transactions.
3. You have obtained a loan of shs. 5,000,000 to start a restaurant and you are advised to open up a bank account for the business.
- (a)(i) Identify the bank account you will open up. (01mark)
(ii) Give reasons to support your answer. (04marks)
- (b) Explain the factors you will consider when pricing your products. (05marks)
- (c) Prepare an organizational plan for your business. (05marks)
- (d) Prepare a cheque to pay rent to your Land lord (05marks)
- (e) Prepare a purchase order for furniture to be used in your business. (05marks)
4. The following information was extracted from the books of Gundeeze Enterprises for the year ending 31st December 2011.

Items	shs.
Capital	2,151,000
Stock 01.01.2011	716,000
Stock 31.12.2011	1680,000
Debtors	2,540,000
Creditors	2,905,000
Salaries and wages	250,000
Discounts received	350,000
Carriage in wards	188,000
Drawings	120,000
Furniture	3,280,000
Cash at bank	430,000
Purchase	6,920,000
Sales	9,730,000
Rent income	150,000
Telephone and light	115,000
Sales returns	240,000
Machinery	2,220,000
Bank loan	4,108,000
Insurance	510,000
Interest on loan	140, 000
Return outwards	620,000
Rent and rates	95,000

Required:-

- (a) Prepare Gundeze Enterprises
 - (i) Trading profit and loss A/C (13marks)
 - (ii) Balance sheet (07 marks)
- (b) Determine;
 - (i) Rate of stock turn (03marks)
 - (ii) margin (02marks)
- 5. You intend to start a maize milling business after completing senior four as a partnership business comprising of members of your class and you are to supply maize flour to your school on contract basis.
 - (a) Prepare a partnership deed that will bind you. (08marks)
 - (b) What benefits will you enjoy operating a joint venture? (02marks)
 - (c) Prepare a contract that will bind your project and your school for the supply of maize flour. (08marks)
 - (d) Under what circumstances may your contract be terminated? (07marks)

END