

845/2

Entrepreneurship Education

Paper 2

Nov. 2023

Time: 2 $\frac{1}{2}$ Hours

WEST ANKOLE DIOCESE - CHURCH OF UGANDA

S.4 2024 ENTRANCE EXAMINATIONS (ASSESSMENT)

ENTREPRENEURSHIP EDUCATION

PAPER 2

TIME: 2 HOURS 30MINUTES

INSTRUCTIONS:

This paper has three Sections A, B and C.

Section A and B are compulsory. They both carry equal marks.

Answers to section B must be precise.

Attempt any three questions from section C.

All questions carry equal marks.

SECTION A: CASE STUDY (20mks)

1. Read the case study below carefully and answer the questions that follow.

Many traders in Kanyeganyegye town Masheruka are dealing in household goods regularly bought by the customers. But many customers are complaining of being over charged. This made Uganda National Bureau of Standards to come out and caution the business owners against such practices.

Peter and James who are close friends from the same school have been observing such practices with concern. They started saving part of their pocket money and by the time they reached senior four, they had saved shs 400,000= and received shs 1,000,000 as a donation from area member of Parliament. During their vacation, they planned to apply their entrepreneurship skills and started a retail business in the area Kabutsye.

(a) From the information in the case study above, give reasons why Peter and James choose to start a retail business other than any other business. [5mks]

(b) Given the savings of Peter and James plus the cash they received from the area Member of Parliament prepare working capital budget. [10mks]

(c) Design a sign post for Peter and James' retail business. [5mks]

SECTION B:[20mks]

Attempt all Questions from this Section.

2. The staff Kitagata SS – Sheema want to improve their welfare, by operating a savings and credit cooperative. Guide the staff on the formalities of operating a SACCO. [5mks]

3. After identifying a good business idea, promise an entrepreneur in Ishaka town is thinking of starting a grocery business. Suggest any five advantages of saving before business startup process. [5mks]

4. Kembabazi Justine an entrepreneur in Kabwohe buys her goods from Kampala in bulk. She normally moves with large sums of money to pay her suppliers yet she has an account in the Stanbic bank. She has been advised that she can make payments to her suppliers while in Kabwohe. Advise her on how she can use modern technology in banking payments to her suppliers. [5mks]

5. JUSSY electronics in Kabwohe wants to borrow money from Jubilee SACCO to widen his business dealing in electronics. However, the business is not registered and the SACCO cannot trust him with the money. Besides acquiring loan from a SACCO, explain other sources through which JUSSY can use to finance his business. [5mks]

SECTION C: [60mks]

Attempt any three questions from this section.

6. You will realize that business do not develop as a result of exploitation of customers or using un ethical practices to achieve selfish interests such as selling underweight products, expired goods, poor quality goods, use of wrong ingredients among others.

In a write up as a leaner of entrepreneurship educate the business owners.

- (a) On the key principles of business ethics. [10mks]
(b) Show the benefits of doing business ethically. [10mks]

7. On 1st June 2022 Kamwe Kamwe started a hard ware business with Uganda shs 900,000= in cash. He has no knowledge of book keeping and accounting.

He carried out the following transactions during the month of June.

<u>June</u>	<u>Shs</u>
2 banked cash	320,000
3 purchased goods for resale by cash	500,000
5 paid office rent by cheque	200,000
10 sold goods and received a cheque	550,000
15 bought good and paid cash	350,000
20 bought office furniture by cheque	300,000
22 sold goods and received cash	450,000
25 paid salaries by cheque	250,000
27 withdrew cash from the business for personal use	150,000
30 cash sales	400,000

Task

Kamwe kamwe has asked you to prepare the following.

- (a) A two column cash book and balance it. [10mks]
(b) Ledger accounts to complete double entry. [10mks]
8. Many business people in Mitooma district are not paying taxes to Uganda Revenue Authority [URA] for a longtime; there has been a complaint by URA officials that some business people in the district take long to fulfill their tax obligations their businesses are sometimes locked up until they pay their taxes.

As a student of entrepreneurship education, URA has asked you to write an article in the new vision on the following:-

- (a) Reasons why business people should pay taxes. [10mks]
(b) The rights of a tax payer in Uganda. [5mks]
(c) The obligations of a tax payer in Uganda [5mks]

9. In your school you have formed an entrepreneurship club. You have decided to start a bakery project, of which you will finance it from the association funds mobilized. Before you begin the business you are supposed to prepare some documents to guide you through.

Task:

- (a) Prepare an action plan to guide you implementing your plan. [10mks]
- (b) Design a receipt you will use when transacting your business. [5mks]
- (c) If a customer buys your products on credit is supposed to receive a document to confirm what he owes to the business. Draft such document you will use. [5mks]
10. Sonko Electronics in Rukungiri town Rukungiri district deals in electronics. He operated his business during 2022 and planned for the following for three months that is April, May and June 2022.
- He had cash balance from March shs 10,000,000
 - Monthly cash sales were shs 5,000,000
 - He acquired a loan from the bank shs 3,500,000 during May and June.
 - He got rent income which was monthly shs 1,000,000
 - During that period purchased goods worth shs 6,000,000 every month
 - He also paid salaries to his workers shs 800,000 every month.
 - The bank charged him interest on the loan taken shs 100,000 paid only in May.
 - He decided to do advertisements on television, radios to increase sales where he was charged April shs 5,000,000 May shs 3,500,000, June shs 3,500,000

- (a) As a student of entrepreneurship, you have been asked to prepare Sonko electronics cash flow statement for three months. [16mks]
- (b) Use your entrepreneurship knowledge to advise Sonko Electronics to avoid cash deficit in future. [4mks]

END

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S.4 2014 ENTRANCE PAPERS

Random No. | | | |

Subject.....

ENTREPRENEURSHIP

Personal Number

(S45/2) PROPOSED MARKETING BUNDLE

1. a. Reasons why Peter and James choose to start a retail business.

> They had smaller capital which was more suitable for a retail business

> The retail business was easy for them to start

> They could break the bulk to meet the needs of small buyers in the area.

> They could bring goods closer/nearer to the customers

> It enabled them to have direct contact with their customers to provide better customer care

> They could not afford hired labour, so with the retail business they provide their own labour

> They could easily supervise and manage their businesses

> Decision making is easier since they are only two.

ANSWER

b. Lending Capital budget should brief out the following:-



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PETER & JAMES RETAILERS

P.O Box - - - - -

WORKING CAPITAL BUDGET FOR SHS. 1400.00

DETAILS	AMOUNT SHS.	PERCENT SHS.
Stock	XX	XX
Rent	XX	.
Wages	XX	
Advertis'g	XX	
Transport	XX	
Etc	XX	
Total		1400.000⁰⁰

Every tick = 1 mark $10 \times 1 = 10$ marks

c. A shop post should bring out the following:-

> name of business

> address of the business

> contact

> goods sold / line of business

> business logo

> arrow of direction

> illustrations

> catch phrase

> frame and stands



Part 5
7 OS marks
Including stands

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2. Guidelines to be staff on the formalities of operating a Sacco: possible answers -
- > mobilising of members and savings from them
 - > Registering SACCOs
 - > Election of executive members
 - > Providing members with loan facilities
 - > Holding executive committee and annual general meetings

⇒ APY 5x1=0.5marks

3. Advantages of savings i.e. saving before starting business:

- > As a precaution for future needs
- > meet personal and business needs
- > self-employment
- > Exploration of idle resources
- > Employment of idle resources
- > Utilisation of resources

⇒ APY 5x1=0.5marks

4. How Kembabazi Justice can make payments using modern technology

- > Use of Internet banking
- > mobile banking
- > Automated Teller machine (ATM)
- > Debit card or credit card
- > Cheque
- > Smart card
- > Electronic funds transfer system (EFT)

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5. Other sources of funds other than loans
JUSY can use to finance his business -

- > Trade/supplier credit
- > personal savings/income
- > gifts/offers
- > Donations/Grants
- > Sale of shares
- > customer advances
- > Retained profits
- > Fund raisings
- > Contributions from family members/relatives
- > Gambling
- > Leasing

* Any 5x1 = 5 mks

6.

a) Principles of Ethics should include -

- > Honesty
- > fairness
- > Respect for others
- > Integrity
- > compassion
- >

⇒ Starting 1mrc

⇒ Explanation 1mrc

⇒ Any 5x2 = 10 mks



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b) The benefits of doing business Ethics! -

- > It increases business profits
- > It leads to society recognition
- > It is easy to access business inputs/raw materials
- > It leads to easy access to human resource
- > It enables the business to gain government support.
- > It helps the business to be trustful.
- > It promotes environmental protection
- > It helps the business to comply with business laws

Ans with explanation

2mks each

Total (10mks)



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7-19

KAMWE KAMWE

TWO COLUMN CASH BOOK

Dr

FOR THE MONTHS OF JUNE 2022

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7(b) Ledger accounts to complete double entry:

Dr

CAPITAL ACCOUNT ✓

Cr

Date	Details	Rs	Amount(s)	Date	Debits	Rs	Amount(s)
2022					2022		
31st Dec	Balance c/d	200,000		31st Dec	Cash	900,000	
		<u>900,000</u>				<u>900,000</u>	
					1st Jan	Balance b/d	900,000 ✓

Dr

DEBENTURES ACCOUNT ✓

Cr

2022	Shs	2022	Shs
1st Jan	Cash	500,000 ✓	June 30 Balance c/d 850,000
15th Cash	350,000 ✓		
	<u>850,000</u>		<u>850,000</u> ✓
31st Dec Balance b/d	850,000 ✓		

Dr

SALES ACCOUNT ✓

Cr

2022	Shs	2022	Shs
1st Jan Balance c/d	1400,000	June 30 BANK	550,000 ✓
		11/22 CASH	450,000 ✓
		13/22 CASH	400,000 ✓
	<u>1400,000</u>		<u>1400,000</u>
		1st July 1st Balance b/d	1400,000 ✓

Dr

RENT ACCOUNT ✓

Cr

2022	Shs	2022	Shs
1st Jan Bank	200,000 ✓	July 31 Balance c/d	200,000
	<u>200,000</u>		<u>200,000</u>
31st Dec Balance b/d	200,000 ✓		

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Dr		FURNITURE ACCOUNT ✓				Cr	
Date	Details	Dr	Amount	Date	Details	Cr	Amount
2022				2022			
June 20	BANK	300,000	✓	June 30	Balance	crd	300,000
		300,000					300,000
July 1 st	Balance	b/d	300,000				

Dr		SALARIES ACCOUNT ✓				Cr	
Date	Details	Dr	Amount	Date	Details	Cr	Amount
2022		shs		2022		shs	
June 25	BANK	250,000	✓	June 30	Balance	crd	250,000
		250,000					250,000
July 1 st	Balance	b/d	250,000				

Dr		DRAWINGS ACCOUNT ✓				Cr	
Date	Details	Dr	Amount	Date	Details	Cr	Amount
2022		shs		2022		shs	
June 27	CASH	150,000	✓	June 30	Balance	crd	150,000
		150,000					150,000
July 1 st	Balance	b/d	150,000				

* ANY 20 TICKS $\times \frac{1}{3} = 10$ mks



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8. a) Reasons Why People Should Pay Taxes:-

- > To raise government revenue
- > for the govt to protect local small industries
- > Help to achieve equitable distribution of wealth
- > To discourage the production and consumption of harmful products
- > To reduce over dependance on foreign aid and borrowing
- > Taxes control monopoly
- > Taxes are used to solve unemployment

⇒ ANY 5x2 = 10 mks

b. Rights of tax payers:-

- > Equity and fair treatment
- > must be provided with clear, precise and timely information
- > Confidentiality
- > facilitation of tax payers complaints
- > Has right to prior notice
- > Has right to be sensitized about tax obligation
- > Has right to receive timely, clear and accurate responses to inquiries, complaints or requests
- > Has right to receive courteous and impartial services at all times



⇒ ANY 5x1 = 05 mks

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C. The obligations of a tax payer:-

- > Registration
- > Tax payment
- > Declaration of Information
- > Co-operation with the authorities in hand life tax matters.
- > A tax payer travelling is required to accurately complete all the necessary forms before reaching the

2

* AMY S/1 = 0.5 m/s



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9.A) An Action plan -

----- BAKERY PROJECT

P O Box --- ✓

ACTION PLAN

TIME FRAME	ACTIVITY	PERSON RESPONSIBLE	RESOURCES NEEDED	DETAILED
	> Primary market Research			
	> Preparing a business plan			
	> Starting business funds			
filled	> Selection of Business site	filled		
	> Fixing Production machines, Premises etc	filled		do not fill
✓	> Setting up and getting ready to start the business		✓	✓
	> Recruitment of Employees			
	> Making products			
	> Launching the business and advertising			

Prepared by

✓
 Name _____
 Title _____
 frame

Approved by

 do not fill
 ✓

Ans 8 Tick  **→ 0 Mks.**

Ans 6 Action **→ 06 Mks.**

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A receipt should bring out the following:-

- Name of Business
- Address of business
- Contacts
- Document name
- Document number
- Date (not filled)
- business logo
- Reason of payment → not filled
- Amount to be paid → not filled
- provision for Balance - not filled
- Prepared by → not filled
- Frame.

* Any 5 x 1 = 0.5 marks

C - An invoice should bring out the following:-

- Name of Business → Date - not filled
- Address of business →
- Contacts
- logo
- Document name
- Document number
- A table for details, amount etc - not filled
- provision for amount - not filled
- Prepared by → not filled
- Frame



"A receipt should bring out the following:-"

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SONKO ELECTRONICS

CASH FLOW STATEMENT

FOR APRIL, MAY, AND JUNE 2022 ✓

DETAILS	APRIL (Shs)	MAY (Shs)	JUNE (Shs)
Cash in flows:			
Balance b/f	10,000,000	4,200,000	3,300,000
Cash sales	500,000	500,000	500,000
Loan from the bank		3,500,000	3,500,000
Rent income	100,000	100,000	100,000
Total cash in flows	16,600,000	13,700,000	12,800,000
Cash out flows:			
Purchases	600,000	600,000	600,000
Salaries	800,000	800,000	800,000
Interest on loan		100,000	
Advertisement	500,000	3,500,000	3,500,000
Total cash outflow	11,800,000	10,400,000	10,300,000
Net cash position	4,800,000	3,300,000	2,500,000
$3.2 \text{ TCKS} \times \frac{1}{3} = 16.5 \text{ K}$			



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b - How to avoid cash deficits 10th

Ways :-

- > Increasing cash sales through sales promotion
- > Reduce some of its expenditure
- > Laying off some of inactive workers
- > Delaying of some cash expenditures
- > Obtaining loans
- > Selling more shares to the public
- > Obtaining business inputs/raw materials from suppliers who charge less prices
- > Selling off some old fixed assets
- > make payments using Post dated cheques .

Ans 4x1 = 04mks

- END -

