

854/1  
ENTREPRENEURSHIP  
EDUCATION  
Jul, Aug, 2023  
Paper 1  
 $2\frac{1}{2}$  Hours



## MATIGO EXAMINATIONS BOARD

*Uganda Certificate of Education*

ENTREPRENEURSHIP EDUCATION

2HOURS:30MINUTES

Paper 1

### INSTRUCTIONS TO CANDIDATES:

- *Answer four questions only*
- *All questions carry equal marks*
- *Credit will be given for the use of relevant diagram*
- *Any additional question(s) answered will not be marked*

**Turn Over**

1. You are operating a small-scale mobile money business providing mobile money services.

- (a) Write a letter of inquiry to a potential landlord for hire of business premises. (06 marks)
- (b) What measures do you employ to capture a large market share? (07 marks)
- (c) Prepare guidelines followed by the business to ensure safety of business cash. (06 marks)
- (d) What ethical practices does the business exhibit towards its customers? (06 marks)

2. Ms. Catherine Bamu has given you the following balances from her books as at 31<sup>st</sup> Dec 2016.

Details	Shs
Cash in hand	1,200
Cash at bank	11,000
Stock 1 <sup>st</sup> Jan 2016	21,000
Debtors	8,000
Creditors	10,000
Returns inwards	500
Sales	56,000
Purchases	20,500
Capital	14,900
Salaries	4,000
Water & Electricity	600
Postage	200
Drawings	900
Stock 31 <sup>st</sup> Dec 2016	13500
Furniture	7500
Motor van	35,000
Bank loan	30,000
Rent Received	1,200
Office Rent	1,700

**Required;**

- (a) Form the above balances, prepare her Trial balance as at 31<sup>st</sup> 12. 2016. (10 marks)
- (b) Prepare her Income statement for the year ended 31<sup>st</sup> .12. 2016 (10 marks)
- (c) Compute her;
  - (i) Working capital ratio. (03 marks)
  - (ii) Debtors' collection period in days (Use 365 days). (02 marks)

3. You have started a restaurant in your community.

- (a) Write a letter to the health inspector requesting for the inspection of your business premises. (07 marks)
- (b) Describe the business laws you abide by when operating the business. (07 marks)
- (c) What measures have you put in place to improve the quality of your services? (06 marks)
- (d) How does your business benefit the community? (05 marks)

4. You are running a successful supermarket, however your employees keep complaining why they are charged PAYE TAX from their income.

- (a) Explain to them why it's important for them to pay tax. (05 marks)
- (b) One of your employees earns a gross salary of shs. 600,000. How much PAYE does he pay? (06 marks)
- (c) In the month of July 2017, Star Gang had VAT exclusive transactions with VAT registered enterprises as follows;

Purchases	Shs. 2,500,000
Sales	Shs. 4,800,000

Compute VAT paid by Star Gangs to URA (05 marks)

- (d) (i) . How do business evade taxes in Uganda? (04 marks)
- (ii) What are the consequences of tax evasion to businesses in Uganda? (05 marks)

5. You have acquired a loan of Shs. 2,000,000 at an interest of 2% per annum payable in 5 equal installments, to start a poultry project.

- (a) Prepare a loan repayment schedule using reducing balance method. (06 marks)
- (b) Outline the risks that may affect the business. (06 marks)
- (c) What steps did you follow to develop a business plan for the business? (07 marks)
- (d) Formulate policy guidelines you will follow to ensure proper management of the borrowed funds. (06 marks)

END

(+256780413120)