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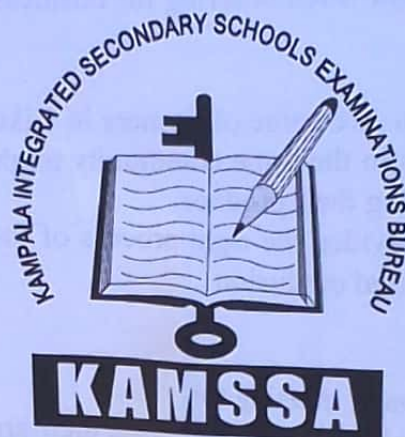
Entrepreneurship

Education

Paper 1

July - August 2024

2½ hours



KAMSSA JOINT MOCK EXAMINATIONS

Uganda Certificate of Education

ENTREPRENEURSHIP

Paper 1

2 hours 30 minutes

Instructions to candidates

- This paper consists of sections A and B. It has **five** examination items.
- Section A has **three** compulsory items.
- Answer **one** item from Section B.
- Answer **four** examination items in all.
- Any additional item(s) answered will not be scored.
- All answers must be written in the answer booklet(s) provided.

Section A

Answer all items in this section.

Item 1

Your aunt Janet is in the process of locating a restaurant deep in her village. She intends to prepare both local and continental foods. However, she is not sure whether all of what she wants to do will be a success.

Task

- Identify the fixed and working capital requirements for the name of the business.
- Write to your aunt suggesting the suitable location for your aunt's business.
- Design a document to be used when ordering for business supplies.

Item 2

Ssentamu, Turinawe and Oloya Are some of farmers in Kikunyu village with a great feeling that getting together as farmers in the same community might take them to the next level by collectively marketing and selling their produce.

However, none of them has provided the right process of forming cooperatives during their several meetings which has caused confusion

Task

You have been invited in their next meeting to;

- Explain to the potential members how to formulate their arrangement
- Suggested to them how best they are to promote the cooperative sales.

Item 3

Ndifuna is a trader dealing in the supply and distribution of agricultural produce both locally and to other East African countries including Kenya, South Sudan and Tanzania. He transports his products mostly by road which exposes his business to various risks though most of them are insurable but he is reluctant to insure his business claiming he is not aware of the appropriate policies to cover his business.

Task

- Identify any policies to be taken by Ndifuna
- Describe the steps he is to follow when acquiring the policies.
- Of what benefit is regional cooperation to Ndifuna.

SECTION B

Answer one item from this section

JAMILAH DEALERS Specializes in the sales of plumbing equipment and accessories. The business is in searching for a specialist in records management, However the applicants have so far failed to determine the profitability and the financial position of the business as at 31st December 2023.

Given the balances below.

Stock (1 st December 2023)	1,000,000
Advertising	140,000
Insurance	80,000
Transport	210,000
Rates	110,000
Equipment	2,800,000
Shop fittings	500,000
Stock (31 st December 2023)	1,200,000
Debtors	1,200,000
Creditors	860,000
Purchases	5,600,000
Sales	10,400,000
Drawings	120,000
Capital	6,300,000
Overdraft	370,000
Discount allowed	150,000
Discount received	90,000
Premises	4,800,000
Returns inwards	600,000
Returns outwards	40,000
Cash	50,000
Salaries	700,000

Task

You are required to prepare the relevant financial statements for the business.

Item 5

Festus, Fatumah and Fausta are Ugandan citizens employed by ODOI ENTERPRISES and earn Shs. 800,000, Shs. 400,000, and Shs.300,000 respectively as gross PAYE per month, but they keep on complaining that they are not aware of how what they pay as income tax is arrived at which their boss cannot explain.

Task:

Use the PAYE rates below to calculate income tax per month for each employee.

Chargeable monthly income	Tax rate
1. Not exceeding shs235,000	Nil
2. Exceeding shs 235,000 but not exceeding shs335,000	10% of the amount by which chargeable income exceeds Shs. 235,000
3. Exceeding shs 335,000 but not exceeding shs 410,000	Shillings 10,000 plus 20% of the amount by which chargeable income exceeds Shs. 335,000
4. Exceeding shs410,000	<p>a) Shs. 25,000 plus 30% of the amount by which chargeable income exceeds Shs. 410,000</p> <p>b) Any additional 10% of the amount by which chargeable income exceeds shs10,000,000</p>

Turnover

b). In the month of May 2024, ODOI enterprises bought goods for shs. 7,400,000(VAT exclusive) and he sold these goods for shs. 11,800,000 (VAT exclusive). The transactions were carried out with VAT registered business.

Task:

Using 18% VAT rate, calculate VAT,

- i. Paid by ODOI ENTERPRISES on purchases
- ii. Received by ODOI ENTERPRISES on sales
- iii. Paid by ODOI ENTERPRISES to Uganda Revenue Authority.

END