

845/1
Entrepreneurship
Paper 1
July / August 2024
2 ½ Hours



MATIGO EXAMINATIONS BOARD

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 on the answer sheets provided.*

SECTION A

Answer all items in this Section.

Item 1:

Racheal saved funds from her pocket money while at school amounting to Shs 1,200,000. This was topped up with parent's contribution of Shs 1,800,000 to enable her start a viable business project in her S.4 vacation.

Unfortunately, she did not study entrepreneurship and is unaware of businesses to take up.

Task: Use your knowledge of entrepreneurship, Guide Racheal on;

- a) The agribusinesses and manufacturing businesses she can deal in. (08 Scores)
- b) Factors she can base on to select a viable business opportunity. (04 Scores)
- c) Procedures to follow when starting a business. (05 Scores)
- d) Other sources of capital she can tap. (03 Scores)

Item 2:

Martha, Mark and Mary after their education opted for self-employment. They agreed to start "Triple M" Bakery in their home town of Kakiri. They raised capital of 1,200,000 in equal amounts and agreed to share profits and losses equally. They carry out production, marketing and financial activities together with Martha being more active than the rest.

Currently they own a successful bakery in their home town.

Task:

- a) Draft a document they prepared to guide them in their operations as partners. (05 Scores)
- b) Write a production plan for their business. (10 Scores)
- c) Make an advert for their products using an appropriate medium. (05 Scores)

Item 3:

A group of 30 women in Kigunga Mukono organized themselves into a SACCO under the name KIGUNGA BAKYALA TWEZIMBE" dealing in sale of Agricultural Produce. They lobbied for government funding and were given 30million from Parish Development Model (PDM) Project. They have plans of insuring their business activities and open up a bank account to ensure proper management of funds. They pledge to be tax compliant as well, but need clear guidance on all business aspects.

Task: As a student of entrepreneurship;

- a) Show the sources of the revenue which government uses to support entrepreneurs. (04 Scores)
- b) Educate SACCO members on the procedure to open up their business account. (05 Scores)
- c) Identify the insurance policies they can acquire. (04 Scores)
- d) Inform them their rights and obligations as tax payers. (07 Scores)

SECTION B

Answer one item from this section

Item 4:

Afaayo operates a stationery shop in Wakiso town. She did not study Entrepreneurship while at school and as a result she employed Lucky Marion the Accounts Clerk. After getting greener pastures Lucky left the job before preparing financial statements which are very vital in financial management.

The balances in the books of Afaayo Stationers Ltd as at 31.12.2023 were as below: -

Details	Shs
Cash at hand	1,200,000
Cash at bank	11,000,000
Stock on 1.1.2023	21,000,000
Debtors	8,000,000
Creditors	10,000,000
Return inwards	500,000
Sales	54,500,000
Return outwards	1,500,000
Purchases	20,500,000
Capital	14,900,000
Salaries	4,000,000
Water and electricity	600,000
Postage	200,000
Drawings	900,000
Furniture and fittings	7,500,000
Motorvan	35,000,000
Centenary Bank loan	30,000,000
Rent received	1,200,000
Office rent	1,700,000

On carrying out stock taking on December 31st 2023, it was discovered that stock worth Shs 13,500,000 had remained unsold.

Task: Help Afaayo to prepare her Business financial statements to determine: -

- a) Profit or loss made by the business. (12 Scores)
- b) Financial position of the business. (08 Scores)

Item 5:

Nkima Enterprises Limited deals in sale of electrical appliances. Their attendants lack complete book keeping skills. Their skills are only limited to recording of business transactions.

For the month of May 2024 their records had the following transactions.

2024		Shs
May 1 st	Started the month with a balance from previous month of;	
	Cash in hand	1,500,000
	Cash at bank	8,500,000
May 2 nd	Deposited cash into bank	600,000
May 4 th	Bought goods from Jackie electricals	4,000,000
May 6 th	Sold goods for cash	1,000,000
May 8 th	Bought motorvan by cheque	2,000,000
May 9 th	Cashed a cheque	500,000
May 13 th	Made more sales	650,000
May 14 th	Cash takings	450,000
May 16 th	Paid electricity	1,200,000
May 16 th	Credit purchases from Saimo Traders	2,500,000
May 17 th	Credit sales Fala and Sons	1,250,000
May 18 th	Paid cash to Saimo traders	?
May 19 th	Paid Jackie electricals by cheque	3,600,000
May 20 th	Sold goods to Mark	1,800,000
May 22 nd	Cash sales paid direct into bank	1,000,000
May 24 th	Received a cheque from Mark	1,800,000
May 29 th	Withdrew cash for private use	300,000
May 30 th	Withdrew cash from bank for Business use	500,000

Task: As an expert in book keeping, help Nkima Enterprises to prepare: -

- a) Appropriate cash book. (06 Scores)
- b) Relevant ledger accounts basing on double entry system. (10 Scores)
- c) Statement to check on arithmetical accuracy of ledger balances. (04 Scores)

END