

845/1
Entrepreneurship
Education
Paper 1
July/August 2024
2 ½ hours



WAKISSHA 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 answered will **not** be scored.*

*All answers **must** be written in the answer booklet(s)/sheets provided.*

SECTION A

Answer all items in this section.

Item 1

Sheeba is planning to open up a supermarket in her name in Masaka city. She has been advised that for it to operate effectively, all legal formalities have to be strictly followed and she is scared of such a requirement due to limited awareness.

She also needs guidance on the plan that will help her to remain focused during business operation.

Task

- (a) Use your entrepreneurship skills to solve the challenge Sheeba is facing in the scenario.
- (b) Guide Sheeba design the tool that will make her remain focused in business operation.

Item 2

Meet Alicia, a dairy farmer who has decided to diversify her business by starting a milk processing plant. She has also started producing high quality cheese, butter and ghee using milk as a raw material. Alicia's farm currently produces 500 litres of milk per week and she plans to use milk as the raw material. She owns an old vehicle which she plans to replace and buy a new one, but does not know how to get a better one.

She uses only a sign post near her farm which has not given enough information to her customers about the existence of the farm.

Task

- (a) How has Alicia benefited from starting a milk processing plant and producing other related milk products mentioned in the scenario?
- (b) How can Alicia solve the challenges in the scenario.

ITEM 3

Meet Tracy, the owner of chain link restaurant with three branches in Mbarara town. Despite its good locations and extensive menu, the restaurant has tried to capture a market share but in vain.

The restaurant faces several risks such as high competition, theft of cash by employees, expiry of food etc.

The restaurant also exploits staff by demanding long working hours, has unhygienic practices, make false claims about menu items, has unpaid taxes, files inaccurate Returns and tax records among others.

This has resulted into low customer loyalty and big financial struggle.

Task

- (a) Advise Tracy on the implication of tax compliance issues.
- (b) Help Tracy to solve the;-
 - (i) Un ethical behaviours in her restaurant.
 - (ii) Risks in business.

SECTION B

Answer **one** item from this section.

Item 4

Kisakye is a poultry farmer in Semuto village. She recently attended a workshop and was sensitized about book keeping. However, it seems she didn't get enough knowledge because when she prepared her statement that shows a list of debit and credit balances for the year 2023, it failed to balance. It appears as below.

**KISAKYE POULTRY FARM TRIAL BALANCE
AS AT 31ST DECEMBER 2023**

Details	Debit (shs)	Credit (shs)
Debtors		2,000,000
Creditors	6,500,000	
Land		5,000,000
Machinery		4,000,000
Fixtures and fittings		3,000,000
Equipment		1,500,000
Purchases		2,500,000
Return from customers		5,000,000
Return to suppliers	600,000	
Discount allowed	2,000,000	
Discount received	1,000,000	
Stock at start	1,500,000	
Cash at hand	600,000	
Cash at bank	3,400,000	
Rent income	400,000	
Sales	9,000,000	
General expenses		3,000,000
Capital		16,000,000
Closing stock.	3,000,000	

Task

- (a) As a student of financial management she has approached you to assist her to identify the error that made that statement not to balance and correct it.
- (b) Prepare a comprehensive statement of account.

Turn Over

Item 5

Nalongo owns a busy restaurant in Kikoni near Makerere University. Her restaurant is called Nalongo Fast Foods. She lacks good book keeping skills and she just records any transactions she incurs without following the right accounting principles. Last year, 2023, by December 31st she had made the following recordings.

Item	Amount (Shs.)
Stock 01. 01. 2023 of food item	1,250,000
Unsold food items at 31 st /12/2023	1,500,000
Purchases of Matooke	700,000
Food returned by customer	750,000
Spoilt Matooke returned to supplier	45,000
Total sales made	13,000,000
Transport allowance offered to customer	95,000
Premises	6,000,000
Tools and equipment	3,500,000
Creditors	1,075,000
Debtors	1,500,000
Drawings	150,000
Table	625,000
Salaries and wages	875,000
Discount allowance	187,500
Commission received	112,500
Electricity bill	140,000
Cash at hand	60,000
Bank overdraft	465,000
Airtime expenses	180,000
Interest received	582,500
Capital	7,875,000
Interest on loan	7,142,500

Task

- Check the arithmetic accuracy for the above statement.
- Help Nalongo Fast foods to determine the gross profit and net profit made at the end of the trading period.

END