**UACE ENTREPRENEURSHIP EDUCATION – P230**

**SEMINAR QUESTIONS – 22ND JUNE 2024**

**PART I: SECTION A – PAPER ONE (P230/1)**

1(a) (i) What is meant by personal branding?

(ii) Outline three principles required for developing an effective personal

brand.

(b) (i) Distinguish between market feasibility study and technical feasibility

study.

(ii) State any two challenges faced by entrepreneurs when selecting business opportunities in an entrepreneurial environment.

(c) Identify any four factors that affect inventory levels in business.

(d) Give any two;

(i) Elements of tax compliance.

(ii) Roles of Uganda Revenue Authority.

(e) The following information was extracted from the books of KAZIBURE FURNITURE Enterprises for the year ending 31/12/2022.

|  |  |
| --- | --- |
| Net sales | Shs.4,500,000 |
| Cost of sales | Shs.3,225,000 |
| Salaries and wages | Shs.600,000 |
| Discount received | Shs.150,000 |
| Discount allowed | Shs.225,000 |

Calculate the;

1. Gross profit,
2. Net profit.

**PART II: SECTION B – PAPER ONE (P230/1)**

2.(a) Describe the procedure of turning a business idea into a business opportunity.

(b) Under what instances may entrepreneurs generate business ideas?

3(a) Explain aspects that characterise the entrepreneurial environment.

(b) Examine the economic environment factors that influence entrepreneurship development in Uganda.

4(a) Justify the need for pricing a product.

(b) Discuss the methods used by an entrepreneur when pricing a product.

5(a) Explain the relevance for inducting employees in an organisation.

(b) Advance the factors that limit employee induction in an organisation.

6(a) Distinguish between push sales promotion strategy and pull sales promotion strategy.

(b) Analyse the sales promotion strategies used by entrepreneurs in Uganda.

7(a) Outline the features of a formal business.

(b) What is the contribution of formal businesses in the economic development of Uganda?

8(a) Distinguish between competitive advantage and competitive cost advantage.

(b) What are the effects of competition in business?

9(a) Describe the key players in Uganda’s Capital Markets.

(b) Explain the merits and demerits of investing in shares to an entrepreneur.

**PART III: PROJECT MANAGEMENT – PAPER TWO (P230/2)**

10. You have been employed as a Risk Management Officer in a metal fabrication business.

(a) Identify the risks faced by the business that you will monitor.

(b) Design a programme for analyzing risk situations in the business.

(c) Write a memo inviting workers to attend a one day training on risk management strategies.

(d) Present guidelines to be followed to minimise risks.

11. You have discovered poor financial management issues in your bakery business resulting from workers’ unethical behaviours.

(a) Prepare a job advertisement for the post of an accountant.

(b) Develop a policy that will ensure effective cash management.

(c) Draw a plan for recovering money from the debtors.

(d) Write a marketing plan of the business.

12. You are operating a shoe making factory in your home town. You even make products on special orders.

(a) Design a work order form for the business.

(b) Draw a plan for conducting personal selling.

(c) Compose guidelines for ensuring good business ethics towards the

customers.

(d) Present the social responsibilities of your business to the community.

13. You have been appointed as the Human Resource Manager of a tailoring business in your community. The business plans to recruit more workers and also motivate them.

(a) Design a job application form for the business.

(b) Formulate a motivational policy for the business to keep workers’

morale high.

(c) Draft a pay slip to be used in the business.

(d) Write a job specification for the post of assistant Human Resource

Manager.

14. You are operating a large bookshop that also offers a variety of Secretarial services.

(a) Design a service schedule for the business machines.

(b) Prepare a purchase order for the necessary supplies.

(c) Present a marketing expenses budget for the business.

(d) Write a letter inviting a technician to service machines.

**PART IV: FINANCIAL MANAGEMENT – PAPER TWO (P230/2)**

15. The following information belongs to TOTO ENTERPRISES LTD for the year 2023.

1. Opening balances as at 1st January 2023.

Bank balance Shs.(16,000,000)

Cash balance Shs.10,000,000

Total debtors Shs.30,000,000

Total creditors Shs.15,000,000

The business records also had the following for the months of January to March 2023.

1. Units purchased in Kg were; 40,000; 24,000 and 20,000 in January to March respectively at a cash price of shs.500 per kg.
2. Cash received from opening debtors in January to March in the ratio 5:3:2 respectively.
3. Cash sales for January were projected at 18,000kg and this would increase monthly by 20%. Each kg was to be sold at shs.2,000.
4. Monthly donations of clothes to the society valued at shs.4,000,000.
5. Monthly sales of packaging materials for cash projected at shs.2,000,000.
6. Payments to creditors were made in January to March in the ratio 1:1:1 respectively. February payments were made in March.
7. Monthly labour cost payments to each of the 8 workers is shs.350,000. In March, the business recruited 2 new workers at the same monthly pay.
8. Administrative expenses paid at the end of each month costs shs.4,000,000. This decreased by 5% starting in February.
9. Depreciation expenses per month projected to be shs.3,400,000.

**Required;**

1. Prepare a cash flow statement for the business enterprise for the three months.
2. Comment on the net cash position of the business enterprise for the three months.

16. The following is a summarised income statement extracted from the books of Mambo Bado Enterprises for the financial year ended 31.12.2022.

|  |  |  |
| --- | --- | --- |
|  | **Shs.** | **Shs.** |
| Sales |  | 40,000,000 |
| Less returns inwards |  | 500,000 |
| Net sales |  | 39,500,000 |
|  |  |  |
| Less cost of sales: |  |  |
| Opening stock (01/01/2022) | 10,000,000 |  |
| Add net purchases | 34,380,000 |  |
| Goods available for sale | 44,380,000 |  |
|  |  |  |
| Less closing stock | 12,000,000 |  |
| Cost of sales |  | 32,380,000 |
| Gross profit |  | 7,120,000 |
|  |  |  |
| Less operating expenses |  | 5,210,000 |
| Net profit |  | 1,910,000 |

The following balances were also provided.

Total current assets shs.13,232,000

Total fixed assets shs.6,000,000

Total current liabilities shs.1,222,000

Total creditors shs.700,000

1. Compute the value of;
2. Gross profit as a percentage of cost of sales.
3. Employed capital
4. Calculate and interpret.
5. Working capital ratio
6. Acid test ratio
7. Credit payment period in weeks
8. Rate of stock turn
9. Gross profit margin

17(a) The following tax payers provided you with their annual taxable incomes and annual taxes.

|  |  |  |
| --- | --- | --- |
| **Tax payer** | **Annual taxable income (Shs)** | **Tax paid (Shs)** |
| Belvah | 177,000,000 | 10,620,000 |
| Belden | 141,600,000 | 8,496,000 |

Required to compute each tax payer’s tax rate.

(b) Blessed Enterprises Ltd had the following VAT inclusive transactions with other VAT registered businesses in a given month.

|  |  |  |
| --- | --- | --- |
| **Product** | **Purchases (Shs)** | **Sales (Shs)** |
| Shoes | 29,500,000 | 47,200,000 |
| Clothes | 70,800,000 | 106,200,000 |

Required to compute the following;

1. VAT paid on each product for the month.
2. Total VAT the enterprise paid to URA for the products.
3. Sales value of clothes (VAT exclusive)
4. The following VAT exclusive transactions were carried out by VAT registered business at various stages of distribution for the month of May 2020.

I Super traders bought goods worth shs.9,000,000.

II Super traders sold all the goods to Ben for shs.14,000,000.

III Ben sold the same goods to Joy, a retailer at shs.20,000,000.

IV Joy sold all the goods to a final consumer at shs.28,000,000.

Required; Using a VAT rate of 18%,

1. Calculate VAT chargeable at each stage.
2. Determine the gross sales value the consumer paid for the goods (VAT inclusive).
3. Mkubwa is a landlord who owns four (4) rental houses and charges monthly rent of shs370,000 per house. All tenants stayed for the whole of a given year. The Income Tax Act provides the following;

* A tax free allowance / tax threshold of shs2,820, 000 is deducted.
* The tax rate is 12% of chargeable rental income.

**Required:** Compute Mkubwa’s;

1. Annual rental income.
2. Taxable rental income.
3. Rental income tax paid to URA.
4. You employ five workers in your business and they are subject to Pay As You Earn (PAYE) on their monthly gross incomes. Below are the monthly payments for the year 2023.

|  |  |
| --- | --- |
| **Name** | **Gross income (shs)** |
| Okidi | 300,000 |
| Okile | 405,000 |
| Okitoi | 600,000 |
| Okiria | 1,000,000 |

**Required:** Use the PAYE tax rates below to calculate;

1. PAYE for each employee per month.
2. PAYE paid to the tax authorities per month.

**TAX RATES BRACKET FOR PAYE 2023**

|  |  |  |
| --- | --- | --- |
|  | **Chargeable monthly income** | **PAYE tax rate** |
| 1. | Not exceeding shs.235,000 | Nil |
| 2. | Above shs.235,000 but not exceeding shs.335,000 | 10% of the amount by which chargeable income exceeds shs.235,000. |
| 3. | Above shs.335,000 but not exceeding shs.410,000. | Shs.10,000 plus 20% of the amount by which chargeable income exceeds shs.335,000. |
| 4. | Above shs.410,000 | Shs.25,000 plus 30% of the amount by which chargeable income exceeds shs.410,000. |

**PART V: PAPER THREE – P230/3**

**SECTION A: CASE STUDY**

18. **Read the case study below and answer the questions that follow:**

Uhuru and partners that planned to operate a unique business of rearing and selling caterpillars for 10 years from 2012 and later introduced dealing in firearms which is illegal but lucrative, was hit hard in 50% of the market zone in 2023 thus leading to impossibility of raising sufficient funds for further operations much as the proprietors have continued to do everything possible to keep the employees motivated amidst no positive impact. Although the enterprise had achieved its original target, the partners were considering its continuity which also looked slim because none of them is an expert in legal matters. Traditional also adversely affected the business since it is widely believed that caterpillars are not reared but part of the wildlife.

With emergence of other entrepreneurs operating similar businesses, competition is intense thereby making the partners have sleepless time and don’t see the way forward for any continuity of the venture hence have resolved to end the business.

1. Describe the entrepreneurial behavior that the partners should have exhibited to remain competitive.
2. Outline the limitations to creativity in the enterprise.
3. Explain the possible factors that might have led to failure of motivation of employees to achieve the purpose.
4. Why are the partners winding up the business?
5. What lessons can anyone learn from the case study?

**SECTION B: SCHOOL BUSINESS CLUB**

19. **With reference to a business project owned by your School Entrepreneurship Club.**

1. Describe the enterprise.
2. How innovative were you in the business?
3. Mention the business secrets you maintained.
4. What market gaps did you try to fill?
5. How did you raise start-up capital?

20. **In relation to a business enterprise started and managed by your School Entrepreneurship Club;**

1. State the form of business and the product / service offered.
2. List the ways in which the school administration supported your enterprise
3. Describe the different types of entrepreneurial risks that affected your business activities.
4. How did you develop the business idea?
5. Mention the business records you kept.

**SECTION C: FIELD ATTACHMENT / FIELD TRIP**

21. **For any business venture in which you carried out field attachment;**

1. Present general description of the business.
2. State the objectives of the field attachment.
3. Explain the internal business environment factors that influence the operations of the enterprise.
4. What after sales services does the business offer to the customers?
5. How does the entrepreneur ensure proper management of financial resources?

22. **In relation to any business field trip you made as an individual or as a group.**

1. Mention the type of business and the product/service it offers.
2. Describe the factors the entrepreneur considered when determining the size of the enterprise.
3. How does the proprietor improve performance of the business?
4. Explain the strategies the business owner employs to make the products unique and appealing to customers.
5. Advise the entrepreneur about the adverse effects the enterprise may face it if exhibits non-tax compliant behaviour.

**END**