**SMACON ENTREPRENEURSHIP A’LEVEL SEMINAR QUESTIONS 2024**

**Entrepreneurship P230/1**

SECTION A

1.(a)i. Define the term achievement motivation.

ii) outline the characteristics of people with strong need for achievement.

(b)i. Mention the factors that necessitate good relationship between family and business.

ii. Give the challenges associated with family business in Uganda.

(c)i. Define the term appropriate technology

ii. What are the basic features of appropriate technology.

(d)i. Distinguish between credit transactions and cash transactions

ii. Outline the instances under which entrepreneur may sale goods on credit.

(e) The following information relates to Karl Marx general traders for year ended 31st December 2023.

Sales for the year Shs. 32,000,000

Gross profit for year Shs. 15,000,000

1. complete
2. costs of sales for the year
3. Mark up and interpret your answer.
4. Outline the rationale of computing and interpreting financial ratios in business

**SECTION B**

1. a) Justify the need for innovation in small and medium enterprises.

b) why is innovation not successful among small and medium enterprises.

2. a) Examine the gloval factors that limit cross boarder business transactions.

b) Explain the merits of globalisation to the development of entrepreneurship in Uganda.

3. a) Discuss the community development threats to give raise to social entrepreneurship.

b) Explain the procedure followed by social entrepreneurs in developing their visionary approach.

4. a) Explain the factors that determine the implementation of the planned business activities.

b) Discuss the significance of financial planning to an entrepreneur.

5. a) Analyse the implication of training in business.

b) Describe the steps followed when conducting training in business.

6. a) Account for increased investment in collective investment schemes in Uganda.

b) What challenges can be encountered in investing in collective investment schemes.

7. a) Why is investing in shares preferred to investing in bonds.

b) Explain the major players in Uganda’s capital market.

8. a) Illustrate the product life cycle.

b) Why have some entrepreneurs failed to maintain their market share.

9. a) In what ways can business ensure minimum labour turnover.

b) What determines success of a job applicant during interview.

**Entrepreneurship P230/2**

10.The Government of the Republic of Uganda plans to organise Local Council 1 elections next year in the month of April and it has been resolved that these elections shall be by secret ballot. However, to accomplish this task, Government through the Ministry of Local Government is calling for bids to supply the Electoral Commission with the required stationery.

(a) As an official of the Ministry in charge of this exercise, write a bid notice that is to be placed in the newspapers.

(b) Explain any **five** reasons why non-registered businesses will not be considered eligible for this business deal.

(c) Design a stock requisition form to be used during this exercise.

(d)Write a memo to all District chairpersons inviting them for an urgent meeting to discuss the issue.

11. Your electronic shop is experiencing declining sales due to poor customer care. The management has decided to recruit new staff as a means of solving this problem.

(a) Design a job application form to be used in the recruitment process.

(b) Develop a root cause analysis tool for declining sales.

(c) Formulate policy guidelines for managing workers' discipline.

(d) Write an invoice for a customer who has taken goods worth Sh10,000,000.

12. You are engaged in the production and packaging of Tomato sauce. The project has taken off and you have set aside shs.3000, 000 to establish a new branch

(a) Prepare a budget for the planned project

(b) Write an action plan for implementing the planed business activities

(c) Present policy guidelines for ensuring quality products in your enterprise

(d) Design a programme for purchasing business requirements

13. You bought a declining tours and travel enterprise. You intend to rehabilitate it in order to make it competitive again; you have obtained a loan of Ugx.50,000,000 from centenary bank, payable in five equal instalments in five years at an interest of 15% per annum at reducing balance method.

(a) Prepare a loan repayment schedule to ease loan repayment.

(b) Present the factors you considered before obtaining a loan from the financial institution.

(c) Present the programme you followed when obtaining a loan.

(d) Draw a capital expenditure budget for the loan you have obtained.

14. You have obtained a loan of shs100,000,000 to improve on your carpentry workshop.

(a) Prepare a budget for the pre-operating expenses.

(b) Write an Agenda for the meeting with workers about expansion of the workshop.

(c) How will you ensure sustainability of the business?

(d) Present a theory of change for your business.

15. You are in the process of turning your cosmetic shop into a public limited company.

(a) Prepare a memorandum of association to be used during company formation.

(b) Write a memo to the sales manager inviting him for a discussion about turning the shop into a cosmetics company.

(c) Prepare a prospectus inviting the general public to subscribe for shares in the company.

(d) Make a share certificate to a shareholder who has bought shares in your company

16. The following projections relate to Masavu Enterprises during the months of May, June, July and August 2021.

1. On May 1, 2021 the enterprise had a cash balance of Shs. 40,000,000 and Bank balance of Shs. (8,000,000).
2. Outputs of 600 units, 650 units, 750 units and 950 units each at Shs. 1,200 were to be sold in the months of May, June, July and August on cash basis.
3. Monthly credit sales were projected to be 25% of cash sales but payment would be received next month less 5% discount.
4. Donations were projected as follows;-

|  |  |
| --- | --- |
| **Month** | **Shs** |
| May | 1,000,000 |
| June | 1,800,000 |
| July | 1,500,000 |
| August | 3,000,000 (inform of physical goods) |

1. The business receives monthly rent income from its property. Rent received on 30th. June was Shs. 600,000 but this was expected to increase by 10% after one month.
2. Inputs of 500 units, 800 units, 1100 units and 1400 units each at Shs. 950 were to be purchased on cash basis.
3. Monthly expenses were projected as follows;-

|  |  |
| --- | --- |
| **Expenses** | **Shs** |
| Utilities | 250,000 |
| VAT | 180,000 |
| Advertising | 100,000 |

In July, no VAT was paid.

1. Credit purchases of Shs. 900,000 were made in June. The business has a policy of paying for credit purchases in 2 equal installments after one month.
2. The business has a policy of paying a 5% sales commission on total monthly sales. No commission was paid in the first 2 months.

You are required to;-

(a) Prepare Masavu Enterprises’ cash flow statement for four months

(b) Advise Masavu Enterprises on various ways of managing business cash surpluses

(c) comment on his net cash position.

17. (a) The table below shows the monthly PAYE tax rates in Uganda.

|  |  |
| --- | --- |
| **Monthly Income** | **Tax rate** |
| 1. Not exceeding Shs. 235,000 | Nil (Zero) |
| 1. Exceeding Shs. 235,000 but   not  Exceeding Shs. 335,000. | 10% of the amount by which chargeable income exceeds Shs. 235,000. |
| 1. Exceeding Shs. 335,000 but not exceeding Shs. 410,000. | Shs. 10,000 + 20% of the amount by which chargeable income exceeds Shs. 335,000. |
| 1. Exceeding Shs. 410,000 | * 1. Shs 25,000 + 30% of the amount by which chargeable income exceeds Shs. 410,000.   2. Where chargeable income exceeds Shs. 10,000,000, an additional 10% is charged on incomes exceeding Sh. 10,000,000. |

Calculate the monthly PAYE payable by the following employees who earned the following incomes in the month of March 2020.

|  |  |  |  |
| --- | --- | --- | --- |
| i. | Mutwe | shs | 235,000 |
| ii. | Kigere | shs | 400,000 |
| iii. | kiwaato | shs | 600,000 |
| iv. | Nyashi | shs | 11,000,000 |

(b) The following VAT exclusive transactions were carried out by a VAT registered business in Feb 2020 at different chains of distributions.

I. Masavu bought goods worth shs 9,000,000

II. Masavu sold all the goods to Teeba for shs 11,000,000

III. Teeba sold the same goods to Bambuza for shs 14,000,000

IV. Bambuza a retailer sold the goods to the final consumer for shs 19,000,000

Calculate the VAT chargeable at; each, stage using the current VAT irate of 18%

(c) Advise entrepreneurs on the importance of paying taxes

18. Due to the scadle caused by kikubo traders, URA has organized a Tax Education Workshop and has invited you as an Expert in Taxation to speak to the traders.

(a) (i) Explain to the audience any 3 non-taxable employment benefits.

(ii) Explain to the traders the consequences of tax evasion.

(b) Explain to the traders the difference between;

(i) VAT Inclusive and VAT exclusive Transactions.

* + 1. Chargeable income and Threshold income
    2. VAT liability and VAT refund

(c ) Calculate for them the annual rental tax payable by two landlords MELINDA AND MELISA who earn annual Rental incomes of shs 3,200,000 and shs 8,000,000 respectively.

(d).AMINATA LTD has her annual income from the retail shop as shs 2,500,000. She also earns shs 1,200,000 annually from the property she owns and her job earns shs6,000,000 annually . Ten percent Of the income from her shop is tax exempt while the annual expenses and losses amount to shs 400,000. The annual threshold income is shs. 2,820,000

Calculate her;

* + 1. Gross income
    2. Chargeable income
    3. Taxable income
    4. The amount of income tax she would pay annually using the PAYE System.

(e). MULON, an importer of electronics imported computers from Britain at CIF value of 2000 British pounds, attracting an import duty of 25%, excise duty 40%, VAT 18% and withholding tax of 6%.

Calculate:

* + 1. Customs value.
    2. Import duty
    3. Excise duty .

(iv) VAT tax payable

Total amount of tax payable by mulon, (exchange rate is shs 45000 per Britishpound).

19. The following balances were extracted from Musoke’s books of accounts on 31.12.2020

ITEM Shs (000)

Net sales 20,000

Net purchases 11,000

Good available for sale 16,000

Stock 01.01.2020 5,000

Stock 31.12.2020 4,000

Total operating expenses 6,000

Total fixed assets 8,000

Debtors 1,500

Creditors 3,000

Cash 900

Outstanding rent 1,000

Bank 1,600

Required

(a) Calculate for;

(i) Cost of sales.

(ii) Gross profit.

(iii)Average stock.

(iv) Net profit.

(v) Liquid capital.

(vi) Liquid fund.

(vii)Borrowed capital.

(viii) Circulating capital.

(ix) Capital employed.

(x) Capital owned.

(xi) Working capital.

(xii) Absolute assets.

(b) Compute and interpret the following;

(i) Margin.

(ii) Markup.

(iii) Current ratio.

(iv) Cash ratio.

(v) Rate of return on capital employed.

(vi) Acid test ratio.

(vii)Rate of stock turnover/Efficiency ratio.

(viii) Administration ratio/Economy ratio.

(ix) Debtor’s turnover period.

(x) Creditor’s turnover period.

(xi) Average collection period for debts

(xii) Average payment period for creditors

(xiii) Average period stock was held before selling.

(xiv) Net profit ratio

**Entrepreneurship P230/3**

CASE STUDY

Every day, the world appreciates that Uganda has a variety of resources and opportunities that can be exploited and it has given birth to a variety of entrepreneurs over years. The recent months have witnessed the emergency of two vibrant and very competent enterprising ladies i.e. Awinja & Kisakye. They have established themselves in providing very nutritious and tasty foods at their restaurant named **AKEE BEST FOODS RESTAURANT** that has branches in the four major cities of Uganda.

As OGs whose passion was developed by their research way back in A’ level where they observed that every living organism survives on eating. They are known for being professional in communication. They rarely ask for pardon, take note of key points that need remembering and they always sit comfortably when attending to someone.

Because of the high quality of their food, they have been contracted to start serving long distance travelers (across boarders) to Tanzania and Rwanda. A Small and manageable number of employees has been employed in each of their branches and they closely monitor the performance of other branches through physical visits, checking records and they use CCTV cameras connected onto their phones to ensure that their employees who are both men and women are prompt, honest, and greatly respect their clients. Their target is to be recognized as most influential and enterprising ladies with a high dignity.

**CASE STUDY QUESTIONS:**

a) Identify the attributes of a good listener possessed by both Awinja and Kisakye

b) What taxes are they expected to pay and of what importance are they to the country?

c) Help them to formulate policies to promote sustainable development in their community.

d) Discuss the key marketing decision areas that the ladies paid much attention to.

e) How can Awinja and Kisakye continue battling for customers’ loyalty for a long period of time?

f) Advise Awinja and Kisakye on the laws to follow when marketing themselves and their careers.

g) What lessons do you learn from Awinja and Kisakye?.

**SECTION B (SCHOOL BUSINESS CLUB)**

1. With reference to your school business club;
   1. Give a description of the business project
   2. Outline the following activities that were carried out by club members
      1. Marketing activities
      2. Production activities
      3. Financial activities
      4. Human resource management activities.
   3. Comment on the view that the project you operated was an attractive investment idea.
   4. How was visual communication manifested in this project?
   5. Mention the techniques that were employed to minimize cost of production.
2. In relation to your school business club project;
   1. Outline the distinctive features that made this project unique.
   2. What facts influenced the choice of suppliers of project inputs
   3. How were the following specific business control systems managed?
      1. Customer merchandise
      2. Accounts receivables
      3. Cash at hand
   4. What entrepreneurial traits were observed by member of the business club
   5. Identify the key time management techniques employed in the project.
3. In relation to the project operated by entrepreneurship education students;
   1. Identify the current assets that were owned by the project at the time of winding up.
      1. Which procedure did you follow to dissolve this project
   2. State the books of accounts and business documents that were used in your business.
   3. What negotiation tactics were practiced by member of the business club.
   4. Mention the ways that were employed to boost the club members’ morale.
   5. Outline the measures that were taken to sustainable competitive advantage.

**SECTION C (Field attachment/ field trip)**

1. For any business enterprise you were attached to ;
   1. Give the general description of the business.
   2. Describe the procedure the business should follow when training its employees.
   3. What entrepreneurial skills did you acquire from this attachment
   4. What justifies that this business ensures business ethics towards its employees.
   5. Outline the management tasks of this business.
2. For anyone business trip you made as an individual or group
   1. outline the physical assets the business owns.
   2. What are the management functions carried out in this business.
   3. Mention the measures employed by the business to ensure security and safety of its employees
   4. Explain the innovations you observed being practice by the business.
   5. What customer care practices are being used in the business.