

# ENTREPRENEURSHIP A- LEVEL GRAND SEMINAR AT BUDDO S.S SCHEDULED ON 1<sup>st</sup>/10/2022.

## SOLUTION GUIDE

### Paper one

#### SECTION A

**1. a) i) Managerial skills of an entrepreneur include,**

- Marketing skills
- Skill of creativity and innovativeness
- Planning skills
- Time management skills
- Financial management skills
- Risk management skills
- Communication skills
- Leadership skills
- Purchasing skills
- Negotiation skills
- Interpersonal skills
- Production management skills

**ii) Relevance of maintaining good business ethics**

- Helps an entrepreneur to overcome business competition
- Creates a good business image
- Helps an entrepreneur to meet customer obligations
- Increases sales
- Reduces labour turnover
- Ensures good relationship between the business and its customers
- Helps an entrepreneur to meet legal standards
- Helps to access quality human resource
- Enables the business to get government support
- Enables easy access to business inputs
- It increases profits
- Promotes customer loyalty

**b) i) Circumstances under which goods may be sold on credit**

- If goods are about to expire
- If an entrepreneur has sufficient working capital
- If a customer has presented a collateral security
- if the competition is high
- when there are set standards as regards to credit recovery
- if goods are expensive
- when there is a need to introduce new products on market
- when there is a need to create extra storage space for the goods produced
- when it is an entrepreneur's policy to sell goods on credit

**ii) Challenges encountered by an entrepreneur when selling goods on credit**

- leads to shortage of working capital

- challenge of maintaining relationship with customers especially those who may default
- challenge of establishing credit worthiness of customers before giving credit
- Challenge of administrative expenses to keep track of trade debtors
- Challenge of inflation since money loses value in most cases.
- Challenge of unfavorable government policies in regard to credit sales
- Difficult in planning for the business money since recovering is not reliable
- Limited record keeping
- Delayed payments
- Challenge of bad debts

**c) i) Negotiation** refers to the process of bargaining that precedes into an agreement.

**ii) Attributes of good negotiators**

- Integrity
- Empathy
- Tenacity
- Self confidence
- Stamina
- Ingenuity
- Self-assurance
- Patience

**d) i) Characteristics of entrepreneurial environment**

- Resource scarcity
- Opportunity orientation
- Uncertainty
- Flexibility

**ii) Global factors that influence entrepreneurial development**

- Global finance
- Government global policy
- Global trade
- Import policy
- Export policy
- Democracy
- Market openness

**e) Mention two reasons for the popularity of self-employment over paid employment**

- One is a boss of himself under self-employment **unlike** paid employment where one is a boss of another person
- Income is unlimited under self-employment **unlike** paid employment
- There is easy decision making under self-employment **unlike** paid employment where decision making is slow and difficult
- There is room for innovation and creativity under self-employment **unlike** paid employment
- There is less pressure at work **unlike** paid employment where much etc.

## **f) Causes for wage differentials in Uganda**

- Difference in level of experience
- Difference in level of education
- Difference in bargaining power of an employer
- The government policy on wages
- Difference in employers ability to pay salaries
- Difference in profitability levels of a business
- Difference in cost of living of employees
- Difference in bargaining power of trade unions
- Difference in demand for the products or salaries offered to an employee etc.

## **SECTION B**

### **2. a) Laws that help to develop a lucrative and effective personal brand.**

- Principle of specialization. i.e always concentrate single strength and talent achievements
- Principle of leadership. i.e. Ability to lead others
- Principle of personality. i.e. should be built on foundation of true personality
- Principle of distinctiveness. Should be expressed in the way different from other competitors
- Principle of visibility. i.e. Must be seen and visible
- Principle of unity. i.e. should adhere to the moral and behavior set code set down by that brand
- Principle of persistence .i.e. takes long to grow and accelerate the process
- Principle of good will .i.e. should produce better results and endures longer if a person behind it perceives it in a positive way.

### **b) Significance of good personal brand**

- Helps to compete favourably with already established brands in the market
- Attracts more customers
- Provides a road map to the success of a business
- Leads to quality production of goods and services as a strategy to maintain the already established brand
- Improves on the entrepreneurs business image and reputation
- Creates focus for the entrepreneur's business career. This ensures business success.
- Creates a sense of individuality and uniqueness in the minds of customers
- It adds perceived value to what you are selling. This supports market penetration and expansion.
- Helps an entrepreneur to charge competitive prices for the products and customers are already willing and to pay the reward.

### **c) Guidelines to create a personal brand**

- Determining who you are
- Determining what you do
- Positioning yourself
- Managing your brand

### **3. a) Components of a business plan.**

- General description of the business
- Statement of mission, vision, goals and objectives
- Marketing plan
- Production plan
- Organization plan
- Financial plan
- Action plan / implementation plan.

### **b) Reasons to prepare a business plan**

- To test the feasibility of the business idea by reflecting the required available resources
- To give a new business the best possible chance of success
- To attract business investors
- To create a bench mark which can be used to measure business performance
- To act as a timetable to implement business activities especially action plan
- To act as a basis to obtain to obtain legal permission to start a business
- To assess the feasibility and viability of a business
- To enable the government to fairly assess taxes
- To enable the business to identify business challenges in advance
- To enable an entrepreneur to monitor business performance
- To secure external funding through acquiring loans
- To enable an entrepreneur to remain focused when carrying out operations
- To identify the business target customers etc.

### **4. a) Role of competition in the business include the following**

#### **Positive roles;**

- i. Promoting production of quality products
- ii. Creation of better employer-employee relations
- iii. Promotion of better customer satisfaction
- iv. Encouraging production of variety of goods
- v. Promoting efficiency in production which leads to increased output
- vi. Encouraging creativity and innovation
- vii. Encouraging reduction in prices of goods and services
- viii. Encouraging hard work by the entrepreneurs which leads to increased profit levels
- ix. Creation of massive production due to entry of many firms.
- x. Promoting improved service delivery
- xi. Enabling customers to enjoy free material benefits like product samples which be given out due to business competition

#### **Negative roles**

- i. Reduction in market share
- ii. Leading to increased cost of production e.g. advertising
- iii. Reduction in business profit levels due to reduced sales
- iv. Discouraging business expansion
- v. Promoting over exploitation of resources like raw materials leading to resource exhaustion
- vi. Creation of unemployment due to collapse of inefficient firms

- vii. Creating duplication of goods and service due to collapse of inefficient firms
- viii. Increasing employee turnover with its associated costs
- ix. Discouraging research due to reduced profits
- x. Promoting increased cash outflows due to increased cost of production.

**b) Factors considered when evaluating business competition.**

- i. The size of the market
- ii. Flow of customers
- iii. Amount in production orders
- iv. Rate of cash flow
- v. Nature of technology used
- vi. Nature of substitutes of products
- vii. Quality of the products produced
- viii. Prices charged by the competitors etc.

**5. a) Indicators of a satisfied customer of a business**

- i. Increased repeated purchases
- ii. Reduction in customer complaints
- iii. Willingness of a customer to pay higher prices
- iv. Presence of good relationship between the business and its customers
- v. Presence of customer referrals
- vi. Presence of positive customer feedback
- vii. Making positive compliments about the product
- viii. Increase in customer orders and buying goods in large quantities
- ix. Presence of suggestion boxes to collect customer suggestions and opinions

**b) Various forms of distribution channels used by entrepreneurs**

- i. Direct /short/producer to consumer distribution channel
- ii. Retail/medium distribution channel
- iii. Wholesale/traditional/manufacturer to wholesaler distribution channel
- iv. Producer/manufacturer to agent to consumer distribution channel
- v. Producer to agent to wholesaler to retailer to consumer distribution channel

**c) Marketing decisions area include;**

- i. Price
- ii. Product
- iii. Promotion
- iv. Place
- v. Positioning
- vi. Packaging
- vii. People ie customers
- viii. Physical evidence ie tangible indicators of effective promotional activities.
- ix. Planning
- x. process

**6. a) Factor affecting women participation in entrepreneurship**

- i. Level of education
- ii. Marriage age

- iii. Accessibility to capital
- iv. Marital responsibilities
- v. Accessibility to role models
- vi. Demands of a girl child
- vii. Women attitude towards entrepreneurship
- viii. Level of sensitization
- ix. Nature of education system
- x. The political climate
- xi. Accessibility to child care facilities

**b) Measures being taken to promote women participation in entrepreneurship**

- i. Providing easy and subsidized financing for women entrepreneurial projects.
- ii. Developing of career counselling or guidance sensitive to girls needs to participate in entrepreneurial activities
- iii. Ensuring that job opportunities for women combine flexible work patterns and child care facilities
- iv. Reducing the administrative requirements for women to participate in entrepreneurship
- v. Reducing labour market discrimination by recognizing the talents of the girls by employers
- vi. Practicing family planning so as to get time to participate in business activities
- vii. Upgrading science school facilities and adequately train sufficient teachers
- viii. Raising general awareness of issues and modification of socialization patterns. it involves community sensitization about equal opportunities for women and men in entrepreneurship
- ix. Offering prizes and recognition to outstanding women entrepreneurs
- x. Providing incentives for girls to study science subjects and entrepreneurship education

**7. a) The following are the responsibilities of a human resource manager.**

- i. Recruiting employees
- ii. Selection of employees
- iii. Carrying out induction training
- iv. Conveying required communication to employees
- v. Carryout work organization in the way that is enjoyable
- vi. Planning and supervising of training
- vii. Dealing with disciplinary problems
- viii. Classifying jobs and preparing salary and wage scales
- ix. Carrying out periodical performance appraised
- x. Managing employee benefit programs such as transport, medical, insurance etc.
- xi. Hiring other personnel such as drivers to manage the increasing volume of work
- xii. Motivating employees
- xiii. Making both financial and production decisions

**b) Ways through which a human resource manager can reduce labour turnover**

- i. Offering labour training
- ii. Sharing information with employees effectively
- iii. Carrying out performance appraisal

- iv. Providing favorable working conditions and terms of work
- v. Providing better employee welfare
- vi. Providing adequate wages
- vii. Providing employees with working contracts
- viii. Ensuring job security through issuing out appointment letters
- ix. Involving workers in decision making
- x. Designing an effective work culture
- xi. Ensuring proper supervision and monitoring of business employees
- xii. Ensuring good employer-employee relations
- xiii. Carrying out employee promotion
- xiv. Discouraging sexual harassment etc.

### **8. a) Why people prefer indirect taxes over direct taxes**

- i. They are difficult to evade
- ii. They are convenient to tax payers
- iii. They have a wide coverage
- iv. They are flexible in nature
- v. They are not discriminative in nature
- vi. They check on consumption of harmful products
- vii. They control and regulate economic activities
- viii. They reduce income inequalities after taxing goods consumed by the rich
- ix. They are less felt and resented

**NOTE.** Use words like **unlike, compared to, which is not the case.**

### **b) Impacts of taxation an entrepreneurial activities**

#### **Positive impacts**

- i. Raises government revenue
- ii. Reduces income inequality
- iii. Controls inflation
- iv. Discourages consumption of undesirable products
- v. Creates employment opportunities
- vi. Controls monopoly
- vii. Improves country's B.O.P position
- viii. Encourages forced savings
- ix. Promotes hard- work
- x. Reduces over dependence on foreign aid
- xi. Protects domestic industries

#### **NEGATIVE EFFECTS**

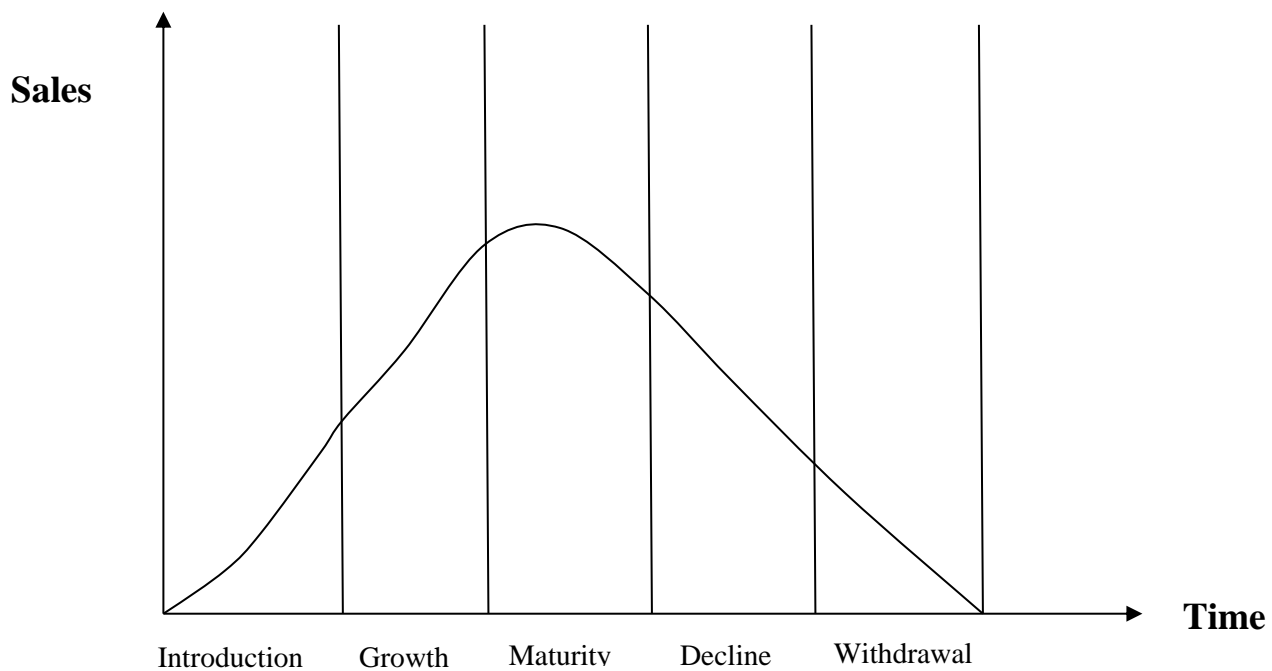
- i. Widens income inequalities
- ii. Causes inflation
- iii. Discourages investment
- iv. Discourages hard- work
- v. Promotes trade malpractices
- vi. Discourages inflow of goods hence leads to scarcity
- vii. Discourages saving
- viii. Makes the government unpopular

- ix. Causes misallocation of resources as people transfer resources from heavily taxed activities to less taxed ones
- x. Leads to reduction in people's welfare

**9. a) Describe the stages of product life cycle.**

- **Introduction stage/ developmental stage.** This involves the introduction of the product to the market, it's characterized by
  - Low sales volume
  - Marketing and promotional costs are high
  - High production costs
  - Small market size and slow market growth
- **Growth stage.** This is a stage in which there is rapid growth in sales and profits. Its characterized by,
  - Rapid growth in sales and profits
  - Increased competition in the market
  - Reduced average costs etc.
  - Increased public awareness of the product.
- **Maturity stage.** This is one in which there is stiff competition as businesses fight to maintain market share. Its characterized by,
  - High sales volume
  - High profits realized
  - High competition among firms
  - High costs of persuasive advertising.
- **Decline / Declining stage.** This is one in which the market is reducing thus reducing amount of profits shared. Its characterized by;
  - Decline in sales
  - Decline in profits
  - Some firms exit/ withdraw
  - High costs of sales promotion
  - Excessive competition
- **Withdrawal stage.** This is one where there is a down turn / change in the market. It's characterized by;
  - Customers tastes change
  - Many firms leave the market especially inefficient firms.
  - There is intense price reduction.





### **b) Impacts of poor time management**

- It leads to delay in production
- It reduces the profits of the business
- It leads to low sales volume in an enterprise
- It may cause stress due to over pilling work
- It lowers the productivity of the business
- It increases the production costs.
- Leads to poor service delivery to customers
- Worsens employees - employer relationship
- Limits the competitive advantage of the firm
- It makes strategic planning difficult
- Leads to low customer satisfaction
- Creates poor business image.

### **c) Strategies required for effective time management in an enterprise.**

- Setting goals which are 'SMART'
- Eliminating the urgent
- Avoiding being a perfectionist
- Planning on time usage
- Learning to say no
- Rewarding good time managers
- Prioritizing activities in the order of importance / practicing the art of intelligent neglect
- Establishing realistic deadlines
- Considering the biological prime time
- Avoiding postponement of tasks/ Procrastination of tasks
- Making use of hidden time
- Doing the right things right
- Reducing paper work
- Delegating duties

**10 a) Explain the characteristics of a good business opportunity.**

- Good income potential
- Reasonable ease of entry into market
- Good growth potential
- Properly timed
- Sizeable market gap
- Reasonable return on investment
- Low or moderate startup costs
- Ability to use the available resources
- Legal acceptability
- Acceptability by the community
- Availability of the required raw materials
- Should be related to ones skills and experience
- Affordability i.e. products or service offered should be affordable
- Ability to use local resources
- Ability to encourage innovation and creativity.

**b) Describe the procedure of turning a business idea into a product.**

- Documenting the idea
- Researching the idea
- Making a prototype
- Filing the Patent / protecting the invention
- Marketing the invention

**PAPER 2**

1. a)
- Prepare a loan repayment schedule using reducing balance method.**

<b>NICE FOODS RESTAURANT</b> <b>Po Box 123, Kibuye</b> <b>Tel: 0752123456</b> <b>LOAN REPAYMENT SCHEDULE</b>				
<b>Loan size:</b> shs 8,000,000 <b>Loan period:</b> 4 months <b>Interest rate:</b> 12% per annum /1% interest per month. <b>Method of calculating interest:</b> reducing balance method.				
Period Months	Principal installments shs	Interest amount shs	Total repayment shs	Outstanding balance due shs
1 <sup>st</sup> month	2,000,000	80,000	2,080,000	6,000,000
2 <sup>nd</sup> month	2,000,000	60,000	2,060,000	4,000,000
3 <sup>rd</sup> month	2,000,000	40,000	2,040,000	1600,000
4 <sup>th</sup> month	2,000,000	20,000	2,020,000	NIL
Total	8,000,000	200,000	8,200,000	
Drafted by ..... Name..... Title..... (Filled in)			Approved by..... Name.... title...	

- b)
- PAYROLL FOR THE MONTH OF SEPTEMBER 2021 FOR NICE FOODS RESTAURANT**

<b>NICE FOODS RESTAURANT</b> <b>P.O BOX 30 MUKONO</b> <b>TEL: 0777-272727</b> <b>WORKERS PAYROLL FOR SEPTEMBER 2021</b>							
Employees Name	Employee number	Basic Pay (shs)	Allowances (shs)		Gross Pay (shs)	Deductions Shs	Net pay Shs
<b>Opio</b> <b>Okello</b> <b>Mukasa</b> <b>Musoke</b> <b>Busuulwa</b> <b>Total</b>	001	400,000	housing 20,000	Transport 8,000	428,000	Taxes 30,000	398,000
	002	400,000	20,000	8,000	428,000	30,000	398,000
	003	400,000	20,000	8,000	428,000	30,000	398,000
	004	400,000	20,000	8,000	428,000	30,000	398,000
	005	400,000	20000	8000	428,000	30,000	398,000
<div style="display: flex; justify-content: space-between;"> <div>           Prepared by .....            Kimuli Tonny  <b>Cashier</b> </div> <div>           Approved by .....            Name.....  <b>Title.....</b> </div> </div> <p><b><u>N.B.</u> Gross pay = Basic pay + Allowances</b></p> <p><b>Net pay = Gross Pay – deductions = Net pay.</b></p>							

**1c) Questionnaire to be used when carrying out a market survey.**

**NICE FOODS RESTUARANT**

**P.O BOX 123, kibuye**

**TEL: 0752123456**

Providers of high quality foods like matooke, Posho, meat, g.nuts, Luwombo among others.

**“For quality foods ever”**

**Objectives of the survey:**

To identify the market gaps which need to be covered and other customers’ needs which are to be addressed.

However all the information given shall be taken in a way which is maximally confidential.

**Questions:**

- a) What is your name..... Marital status .....
- b) Age..... sex.....
- c) Are you satisfied with the quality, and packaging of our products? If not where do you need the improvement.....
- d) How can you respond to our prices?
- ☐ High ☐ fair ☐ very cheap
- e) How did you get to know about our business products?
- Through media ☐ Agent ☐
- f) Where do you often buy our business products from?
- Retailers ☐ wholesalers ☐
- g) What unique features should a product carry .....
- h) Which promotional strategies can you use to promote the products .....
- i) How do you compare the product to other competitors?
- Best ☐ Better ☐ Good ☐
- j) Write any remark on areas for improvement or any general view or recommendations regarding the product.
- .....

Prepared by .....

**Thank you for your time.**

**1. d) Guidelines to be followed to ensure quality production in the restaurant.**

- **Business name and address.**
- **Policy guidelines for quality production.**

- i. Proper welfare of workers shall be ensured to motivate them to provide high quality services in the production processes.
- ii. Machines shall be serviced regularly to ensure that they are in good mechanical condition during production process.
- iii. Workers shall be trained at least once a month to improve their skills and efficiency in production of quality food.
- iv. Clear instructions shall be given to workers regarding the production process to avoid mistakes in production.

- v. Production shall be carried out from clean environment through regular sweeping and mopping to ensure proper cleanliness of business premises and working surfaces to avoid contamination of food.
- vi. Markey survey shall be carried out at least every at least once every month to collect customer opinions regarding quality production.
- vii. High quality raw materials and inputs like well flavored carry powder, fat meat shall be used when preparing sauce.
- viii. Specialized and high skilled personnel such as trained chefs shall be employed in the production department.
- ix. Proper technical specification for processing of food shall be followed to ensure correct mixing of ingredients.
- x. Quality storage facilities shall be provided and used.
- xi. Proper and high quality packaging materials /facilities shall be used like disposable cups and plates that are durable attractive etc.
- xii. There shall be efficient monitoring and supervision of workers to minimize mistakes and defaults in production.
- xiii. Workers performance shall be evaluated every end of the month.

**1 e) Recruitment program.**

BUSINESS NAME AND ADDRESS  
PROGRAMME FOR RECRUITING OTHER EMPLOYEES

DATE	ACTIVITY	PERSON IN CHARGE	REMARKS
	Identifying of vacant posts to be filled		
	Establishing the required job skills and qualifications the workers should have/developing of job descriptions and job specifications.		
	Preparing and placing of job advertisements in the selected media.		
	Issuing of job application forms to the job applicants and handling job related inquiries / receiving of job applications		
	Sorting of the job applications according to the job specifications.		
	Shortlisting suitable job applicants for the job interviews.		
	Preparing of job interview panels and allocating the interview rooms or venues.		
	Analyzing the job interviews results and contacting the referees		
	Selecting the most suitable or successful job applicants		

	Releasing /communicating of the job interview results to the job applicants.		
	Preparing and issuing of job appointment letters to the successful applicants and receiving of job acceptance letters.		
	Preparing and conducting job induction for the newly recruited workers.		
	Placement of the newly recruited workers in their job posts and commencement of work.		

Prepared by;  
Signature xx  
Name xx  
Title .....

must be filled in

Approved by;  
Signature.....  
Name.....  
Title.....

## 2. a) Inquiry sent to the supplier of raw materials..

**KUTAMA BAKERY (U) LTD**  
**P.O BOX 16, Kayunga**  
**TEL: +256777101010**  
[kutamabakery@gmail.com](mailto:kutamabakery@gmail.com)

### LETTER OF INQUIRY

NO. L/010

DATE: 01/10/22

ROBINAH MWERUKA TRADERS  
P.O BOX 33, KATWE

**Dear Sir/ madam.**

I am writing this letter to enquire about the raw materials along with pricing and availability with details mentioned below.

Serial number	Product name	Quantity
001	Wheat flour (Kaswa)	3 cartoons
002	Milk powder	2 boxes (medium)
003	Sugar	2 bags (25 kgs)
004	Eggs	10 trays

We request you to kindly send the quotation with earliest delivery date possible along with the maximum possible discount at [kutamabakery@gmail.com](mailto:kutamabakery@gmail.com) or 0777101010.

We shall be grateful if you feed us the above information

T  
hanking you in advance.

**Yours faithfully**



NABUUMA JOAN  
PROCUMENT OFFICER

**b) Terms and Conditions of a contract for supplies to be made to Opera Super Market.**

**KUTAMA BAKERY CONTRACT WITH OPERA SUPER MARKET FOR THE SUPPLY OF BAKERY PRODUCTS.**

**Products to be supplied.** The products shall be **cakes** and **bread**.

**Quality of products.** Lemon flavored cakes that are dust free and well packed shall be supplied.

**Price of the product.** Each small sized cake and bread shall be sold at shillings 500 and 2000 respectively.

**Lead-time of supplies.** The bakery products shall be delivered to Opera Super Market after six days from the time the Opera Super Market places an order.

**Delivery terms.** The bakery products shall be delivered by Kutama Bakery at the premises of Opera Super Market free of charge.

**Mode of payment.** Opera Super Market shall pay by cheque within 5 days after delivery has been made.

**Quantity Terms.** 100 packets of cakes and 50 loaves shall be supplied every weekend on Sunday.

**Limitations of liability.** The buyer (Opera Super Market) shall not be responsible (liable) for the products damaged while in transit and on the other hand, Kutama Bakery shall not be liable for losses met on the bakery products in the hands of the buyer.

**Means of settling disputes / disagreement by the parties.** In case of disagreement, the parties shall first use dialogue to resolve it and assistance from a mediator may only be used later.

**Provisions of termination of the contract.** This contract shall be terminated by either party only if one of the parties dies, court makes an order, lapse of time of two years and by disagreement between both parties to it.

**Penalty for breach of contract.** Any party that breaches the provision of this contract shall be ordered to pay a fine not exceeding shillings six hundred thousand at the discretion of the injured party or courts of law

**Duration of the contract.** The contract shall run for a period of two (2) years and may be renewed after negotiations between the buyer and the supplier.

## 2. c) Describe an organizational plan for the business.

**KUTAMA BAKERY (U) LTD**  
**P.O BOX 16, Kayunga**  
**TEL: +256777101010**  
[kutamabakery@gmail.com](mailto:kutamabakery@gmail.com)

### ORGANIZATIONAL PLAN / ADMINISTRATIVE PLAN

- i. **Nature of workers employed.** It employees both skilled and semi-skilled workers .Five (5) workers are employed in the packing section, five (5) workers are employed in the labeling section and ten (10) workers are employed in packaging section, six (6) are employed in the dispatch section. These are semi-skilled. Each section is headed by a departmental manager who supervises all the workers under his / her chain of command and these are skilled ones.
- ii. **Workers qualification, Skilled and knowledge.** The five directors of the company are holders of degrees in business administration while the departmental managers are holders of bachelor's degrees in their respective fields. Their assistants are diploma holders while the casual workers are just semi-skilled with O level certificates.
- iii. **Tasks, duties and responsibilities of workers.** The general manager oversees the work of other departmental managers. The Human resource manager is in charge of inspection of production for quality, the marketing manager is in charge of recruiting, training and development of workers. The causal worker package, carry the products to the store or truck for selling and distribution.
- iv. **Worker's remuneration / pay and other benefits.** Payments are made on every 30<sup>th</sup> day of each current month of work through individual bank accounts of workers. Each category of workers is paid differently as illustrated.

s/N o	Position	Number of workers	Salary (shs)	Amount (shs)
1.	Directors	5	1,200,000	6,000,000
2.	General managers	1	900,000	900,000
3.	Departmental managers	4	700,000	2,800,000
4.	Assistant heads	4	500,000	2,000,000
5.	Casual workers	21	200,000	4,200,000
	Total	35		15,900,000

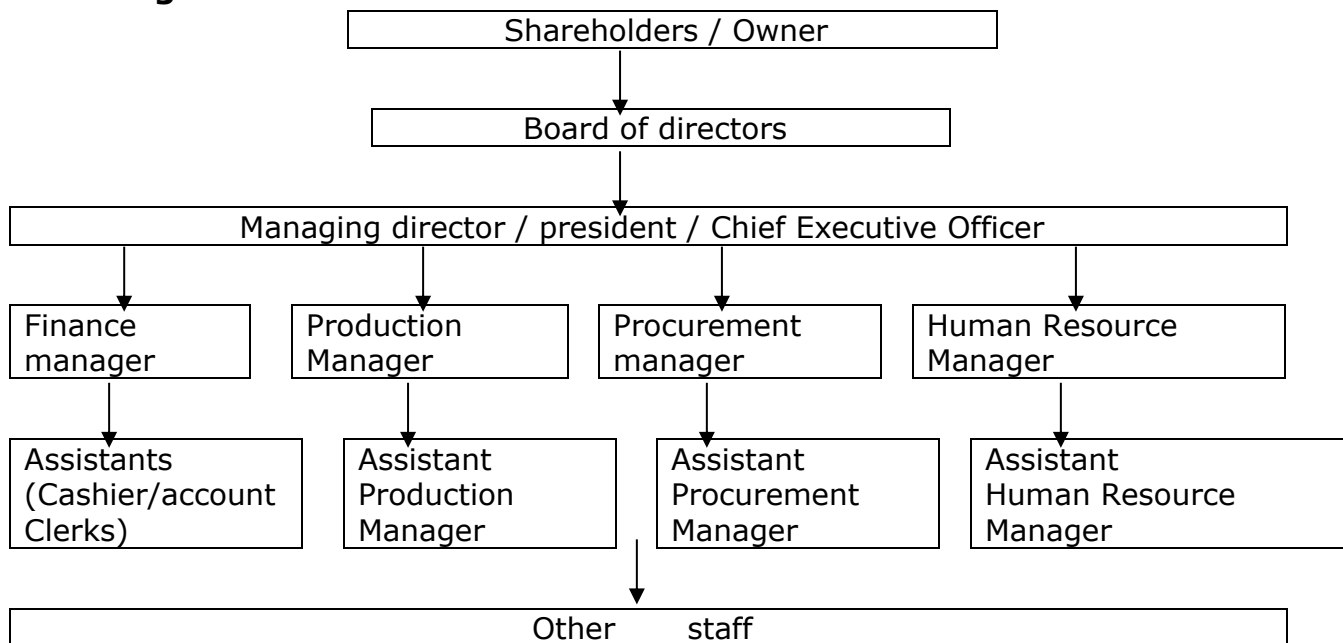
### Other remuneration benefits

In addition to salary, all workers are entitled to free breakfast, lunch and medical care. The general manager gets all the above as well as free accommodation and airtime.



**v. Hierarchy of authority.**

**An organizational chart for the business**



**2. d) Draw a marketing flow chart for the business.**

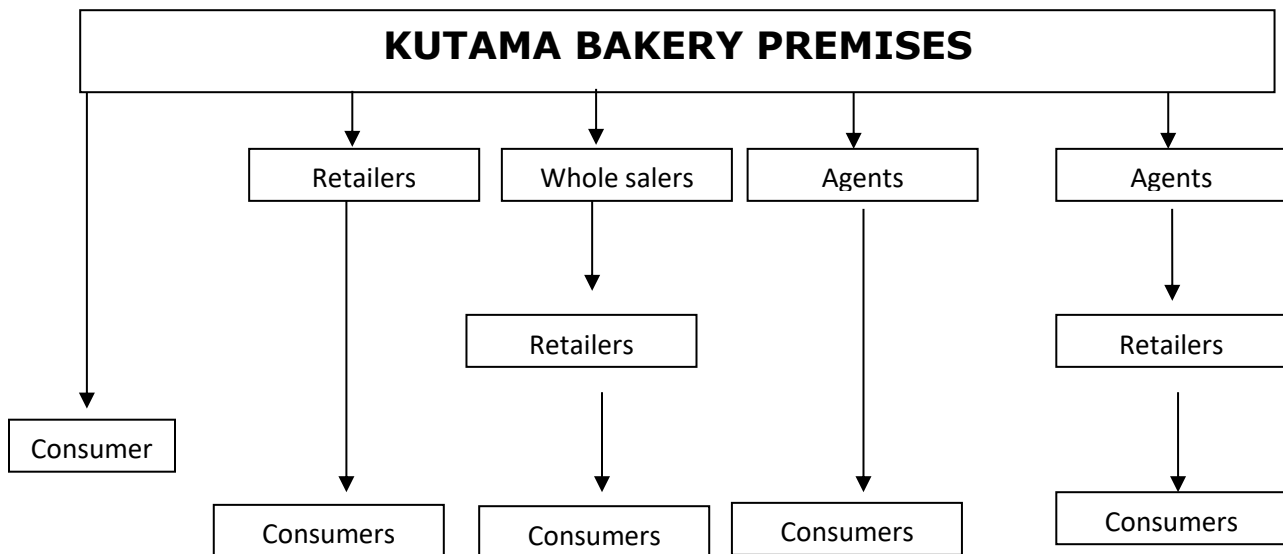
**KUTAMA BAKERY (U) LTD**

**P.O BOX 16, Kayunga**

**TEL: +256777101010**

[kutamabakery@gmail.com](mailto:kutamabakery@gmail.com)

**MARKET FLOW CHART**



## 2. e) A resignation letter to the Manager, Human Resources

MASIKA TOM  
P O Box 1687,  
Kayunga,  
Tel: 0752818204

1<sup>st</sup>/Oct/2022

To:  
The Manager, Human Resource  
Kutama Bakery (U) Ltd  
P O Box 123  
Kayunga.

Dear Sir,

**Re: Termination of work**

I wish to express my sincere appreciation for having had the opportunity to work in your company. It has been a great experience to transform and grow in my career which I will forever treasure.

However owing to personal limitations, I will not be able to execute my duties as effectively as expected and would wish to terminate my work a month from today.

I promise to wind up all the work on my desk during that period and if possible train a replacement.

My sincere apologies for any inconvenience which may arise and best wishes to all.

Yours faithfully,



Masika Tom.  
General Manager.

**3. (a) Prepare a monthly cash flow statement for the four months. (June, July, August and September, 2022)**

**NKWATAKO TRADERS**

Cash flow statement

For the period of JUNE, JULY, AUGUST AND September 2022.

Details	JUNE Shs	JULY Shs	AUGUST Shs	SEPT Shs
Balances b/f		(55,960,000)	21,028,000	11,196,000
<b>Add cash inflows</b>				
Cash sales (60%)	24,000,000	24,000,000	24,000,000	24,000,000
receipts from debtors 40%		16,000,000	16,000,000	16,000,000
Commission income	400,000	400,000	400,000	400,000
Loan	8,000,000	-	-	-
Cash donations	2,000,000	2,200,000	2,420,000	2,662,000
Trade fair and exhibition	5,000,000	5,000,000	6,000,000	6,000,000
Rent income	2,000,000	2,000,000	2,000,000	2,300,000
Debenture		55,960,000	-	-
<b>Total cash inflows</b>	41,400,000	49,600,000	71,848,000	62,558,000
<b>Less cash outflows</b>				
Cash purchases	9,000,000	9,000,000	9,000,000	9,000,000
Electricity bills	-	-	8,000,000	-
Interest on loan	-	-	800,000	600,000
Loan repayment	-	-	2,000,000	2,000,000
Commission payment	8,000,000	7,200,000	6,480,000	5,832,000
Purchase of machinery	40,000,000	-	10,000,000	-
Purchase of motor van	40,000,000	12,000,000	24,000,000	24,000,000
Labour costs	360,000	372,000	372,000	360,000
<b>Total cash outflows</b>	97,360,000	28,572,000	60,652,000	41,792,000
<b>Net cash position</b>	(55,960,000)	21,028,000	11,196,000	20,766,000

**(b) Measures under taken to solve an anticipated cash deficit**

- ✓ Increasing cash sales
- ✓ Delaying payments on some expenses
- ✓ Minimizing cash drawings
- ✓ Laying off some redundant employees
- ✓ Raising of prices on some items and selling on cash
- ✓ Reducing credit sales
- ✓ Improving cash collections of going a shark credit
- ✓ Getting loans from cheaper sources
- ✓ Practicing good purchasing skills to take add of discounts
- ✓ Disposing off some non-productive fixed assets
- ✓ Carrying out sales promotion
- ✓ Ploughing back business profits
- ✓ Admitting new partners / selling shares to investors
- ✓ Hiring out / leasing some redundant fixed assets on cash basis
- ✓ Obtaining advance cash payments for large scale customers
- ✓ Making a budget and strictly spending its limits

#### 4. (a) SHL's rental income and tax liability for the period.

##### Solution

Rental income (1,500,000 X 23) X 12	shs 414,000,000
Less provision for loss 75% X 414,000,000 =	shs 310,500,000
<b>Chargeable income = (414,000,000 – 310,500,000) =</b>	<b>shs 103,500,000</b>
<b>Less: interest on loan (16,800,000 X 14%)</b>	<b>shs 2,352,000</b>
<b>Net chargeable income</b>	<b>shs 101,148,000</b>
Rental tax payable (30% X 101,148,000)	shs 30,344,400

#### (b) Gross income = basic salary + allowances.

Employee	Allowances			
	Monthly salary shs	Car (shs)	Housing (shs)	Gross income Shs
Joy	560,000	70,000	50,000	680,000
Happy	200,000	50,000	20,000	270,000
Hope	300,000	30,000	60,000	390,000
Faith	15,000,000	30,000	30,000	15,060,000

##### Joy

Taxable income = shs 680,000 – shs 410,000 = shs 270,000

Income tax liability = shs 25,000 + 0.3 X 270,000

Income tax liability (PAYE) = shs 25,000 + shs 81,000 = **shs 106,000**

##### Happy

Taxable income = shs 270,000 – shs 235,000 = shs 35,000

Income tax liability = shs 0.1 X 35,000

Income tax liability (PAYE) = **shs 3,500**

##### Hope

Taxable income = shs 390,000 – shs 335,000 = shs 55,000

Income tax liability = shs 10,000 + 0.3 X shs 55,000

Income tax liability (PAYE) = shs 10,000 + shs 16,500 = **shs 26,500**

##### Faith

a) Taxable income = shs 15,060,000 – shs 410,000 = shs 14,650,000

Income tax liability = shs 25,000 + 0.3 X shs 14,650,000

Income tax liability (PAYE) = shs 25,000 + shs 4,395,000 = shs 4,420,000

b) (shs 15,060,000 – shs 10,000,000) = shs 5,060,000

Income tax Liability = 5,060,000 X 0.1 = shs 506,000

Total = shs 4,420,000 + shs 506,000 = **shs 4,926,000**

#### (c) Calculate the VAT chargeable at each stage using the current VAT rate of 18%

##### Stage 1

VAT = initial cost X VAT rate

VAT = shs 9,000,000 X  $\frac{18}{100}$

VAT = shs 1,620,000

### Stage 2

VAT = value added X VAT rate

Value added = shs 11,000,000 – shs 9,000,000 = shs 2,000,000

VAT = shs 2,000,000 X  $\frac{18}{100}$  therefore **VAT payable = shs 360,000**

### Stage 3

VAT = value added X VAT rate

Value added = 14,000,000 – 11,000,000 = 3,000,000

VAT = shs 3,000,000 X  $\frac{18}{100}$  therefore **VAT payable = shs 540,000**

### Stage 4

VAT = value added X VAT rate

Value added = shs 19,000,000 – shs 14,000,000 = shs 5,000,000

VAT = shs 5,000,000 X  $\frac{18}{100}$  therefore **VAT payable = shs 900,000**

**Total VAT = shs 3,420,000**

### Types of taxes paid by trading businesses.

- VAT
- Octroi tax
- Corporation tax
- Sales tax
- Lump sum tax
- Specific tax
- Advolem tax

### 5. a). Job advert for security guard.

**SONIC WELDERS AND FABRICATION (U) LTD**

**PO BOX 333**

**Buddo Kisozi**

### **JOB ADVERT**

Sonic Welders (SW) is an established welding and fabrication business that is engaged in the production of metallic door, windows, beds that will suit and satisfy the diverse designs and concepts of the customer. The business is located in Buddo, Kisozi town opposite Kawuka Petrol station.

**Job title:** Security Guard

**Job reference:** No. SD/10/22

### Job summary

We are looking for a mature individual to take up responsibilities of security guard at our head office premises.

### Job duties / responsibilities

- To inspect and patrol business premises regularly
- To authorize entrance of people and vehicles
- To respond to alarms and emergencies.
- To monitor CCTV cameras.

### Terms of payment

Contract job for 2 years subjected to renewal.

## **Academic qualification**

- Qualification / certification as a security guard or military
- Primary medical training is preferred.
- Security Guard license

## **Work experience**

The applicant should have a least 2 years working experience as a security guard in the similar level of duties.

## **Age limit**

Between 28 and 30 years

## **Special skills**

Good communication skills and ability to work well with others.

Service oriented attitudes.

Physically fit for the job requirement.

Organized, focused and able to follow in details given instructions.

## **Remuneration / payment**

A net pay of shs 300,000 per month

## **Procedure of application**

If you can measure up to the above requirements, please send your application letter and CV with contact numbers of two non – related referees on the address below.

[www.Job.ug.com](http://www.Job.ug.com)

## **Deadline of submission**

Not later than 10 Dec. 2022 before 5:00pm

### **5. b) credit recovery program**

#### **Name and address of the business**

#### **Plan for recovering money from business debtors.**

Step	Time frame	Activity	Person in charge	Remarks
1		Identification of debtors and collection of all record on debtors		
2		Arranging debtor's records according to credit period, assessing and allocating persons responsible to the credit customers.		
3		Preparing and dispatching debt reminders to debtors/calling debtors		
4		Collection of payments and updating of debtors records		
5		Issuing statements of accounts		
6		Sending last reminders to debtors		
7		Compiling and publishing defaulters , giving them final date to clear their accounts		

8		Taking legal action on defaulters e.g auctioning the collateral security.		
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Prepare by:

Sign .....

Approved by:

Sign .....

Sign.....

Name .....

Name .....

Title: Sales manager

Title .....

### 5. c) guidelines for managing workers' discipline.

- i. Title/Heading i.e Name and address of the business staff rules and regulations to govern the discipline of factory employees.
- ii. Employees shall avoid fraudulent acts like corruption, bribery, forgery etc.
- iii. Employees shall conduct themselves in a way that benefits the business.
- iv. Employees shall distinguish personal interests from business interest and in any case of conflict of interest, business interest shall always over-ride personal interests.
- v. Employees shall use business property for only duties /activities related to the business.
- vi. Arrival and departure time for employees shall be 8:00a.m and 5:00p.m respectively.
- vii. Employees shall always dress in an appropriate and descent manner at all times at the work place.
- viii. Love or intimate relationships among employees is not to be allowed in the enterprise.
- ix. Employees shall not be allowed to receive visitors during working hours at the work place.
- x. Respect and obedience to supervisory and senior management staff shall be required of all employees in the enterprise.
- xi. Workers shall not be allowed at the business premises under the influence of alcohol and drugs.
- xii. Vulgar language shall not be used while at work by employees all times.

### 5.d) BUDGET.

i. The title showing: Name and address of the **metal fabrication** –

#### ii. Document title

<b>BUSINESS REQUIREMENTS</b>	<b>AMOUNT</b>	<b>AMOUNT</b>
<b>ESTIMATED FIXED CAPITAL REQUIREMENTS</b>	<b>SHS</b>	<b>SHS</b>
E.g Acquisition of land	Xx	
Construction of restaurant buildings	Xx	
Purchase and installation of machinery	Xx	
Purchase of furniture tools and equipment	Xx	
Purchase of vehicles	Xx	
Purchase of fixtures and fittings	Xx	
<b>Total fixed capital requirements</b>		<b>xxx</b>
<b>START UP EXPENSES</b>		

E.g Trading license	Xx	
Business registration	Xx	
Installation of utilities	Xx	
<b>Total startup expenses</b>		<b>Xxx</b>
<b>ESTIMATED WORKING CAPITAL REQUIREMENTS</b>		
E.g Purchase of food raw materials	Xx	
Direct labour costs (direct wages)	Xx	
Administrative expenses	Xx	
Marketing expenses	Xx	
Utilities costs e.g water, power	Xx	
Transport costs	Xx	
<b>Total estimated working capital</b>		<b>Xxx</b>
<b>Total estimated funds required</b>		<b>Xxx</b>

Sign .....

Approved by:

Sign .....

Sign.....

Name .....

Name .....

Title: .....

Title .....

### **e) Sensitization to employees about measures to handle difficult customers.**

#### **Business name and address**

#### **Document Title.**

- Acknowledge and evaluating customer's objections fairly.
- Listening carefully to the words and feelings being expressed by the customer.
- Apologizing to the customer.
- Giving compensation to the customer.
- Avoid dominating a customer and give him a chance to open up to understand the reason of his being difficult.
- By holding argument until the customer is ready for them.
- By suggesting that you will handle the issue later.
- Being polite to customers
- Making customer follow up through either making personal visits to them or calling them by phone.
- Engaging security personnel to handle violent customers.
- Restricting violent difficult customers to access business premises.

### **6a**

#### **i. Cost of sales**

Cost of sales = opening stock + Net purchases - closing stock

But Net purchases = Purchases + Carriage inwards – purchases returns.

$$= 90,000,000 + 1,000,000 - 200,000$$

Net purchases = shs 90,800,000

Costs of sales = 100,900,000 + 90,800,000 – 1,800,000

Cost of sales = shs 189,900,000



## ii. Net profit ratio

$$\text{Net profit ratio} = \frac{\text{net profit}}{\text{net sales}} \times 100$$

But net profit = Gross profit + other incomes – operating expenses

But Gross profit = Net sales – Cost of sales

But Net sales = sales – sales returns

Net sales = 300,000,000 – 1,500,000 = shs 298,500,000

Gross profit = shs 298,500,000 – 189,900,000 = 108,600,000

+ **Operating expenses** = (discount allowed + Rent + Bad debts + Motor expenses provision for bad debts + depreciation on motor van + Depreciation on machinery)

Therefore operating expenses = (10,000,000 + 10,000,000 + 10,000,000 + 21,000,000 + 300,000 + 1,500,000 + 1,250,000) = shs 54,050,000

Therefore Net profit = 108,600,000 + 1,500,000 – 54,050,000 = shs 56,050,000

$$\text{Net profit ratio} = \frac{56,050,000}{298,500,000} \times 100 = 18.7 \% \text{ or } 19\%$$

iii. **Total fixed capital** = Total fixed assets of the business.

Details	Cost	Accumulated depreciation	Net Book Value
	Shs (000)	Shs(000)	Shs(000)
Motor Van	15,000	1,500	13,500
Machinery	25,000	1,250	23,750
Total fixed assets			37,250

## iv. Mark up

$$\text{Mark up} = \frac{\text{gross profit}}{\text{cost of sales}} \times 100 = \text{Mark up} = \frac{108,600,000}{189,900,000} \times 100$$

Mark up = 57.1% or 57%

## v. Margin

$$\text{Margin} = \frac{\text{gross profit}}{\text{net sales}} \times 100 = \text{Margin} = \frac{108,600,000}{298,500,000} \times 100$$

Margin = 36.3% or 36%

## vi. Inventory velocity ratio

$$\text{Inventory velocity ratio} = \frac{\text{cost of sales}}{\text{average stock}}$$

$$\text{But Average stock} = \frac{\text{Opening stock} + \text{Closing stock}}{2}$$

$$\text{Average stock} = \frac{100,900,000 + 1,800,000}{2} = \text{shs } 51,350,000$$

$$\text{Inventory velocity ratio} = \frac{189,900,000}{51,350,000} = 3.7 \text{ times}$$

## vii. Economy on expense ratio

$$\text{Economy on expense ratio} = \frac{\text{total expenses}}{\text{turnover}} \times 100 = \frac{53,750,000}{298,500,000} \times 100 = 18\%$$

### Compute and interpret

i. **Debtors' turnover period** =  $\frac{\text{total Debtors}}{\text{Net sales}} \times \text{number of days in a year}$

But net debtors = (total debtors – provision for bad debts)  
= (6,000,000 – (6,000,000 X 5%) = shs 5,700,000.

$$\frac{5,700,000}{298,500,000} \times 365 \text{ days} = 6.96 \text{ days approximately } 7 \text{ days}$$

Interpretation: the business takes approximately 7 days to collect its money from debtors.

## ii. Debt to equity ratio

$$\text{Debt to equity ratio} = \frac{\text{Total Debt/ Long term liabilities}}{\text{Owners Equity}}$$

**But Long term liabilities** = bank Loan + Debenture.

$$\text{Shs } 6,000,000 + \text{shs } 5,300,000 = \text{shs } 11,300,000$$

But owner's Equity = Capital + Net profit – Drawings

$$\text{Owner's Equity} = \text{shs } 215,400,000 + \text{shs } 56,050,000 - 0$$

$$\text{Owner's Equity} = \text{shs } 271,450,000.$$

$$= \frac{11,300,000}{271,750,000} \times 100 = 4.158\% \text{ approximately } 4\%$$

Interpretation. Out of every Shs. 100 of owner's equity shs. 4 are required for paying off long term liabilities when due.

## iii. Cash ratio

$$\frac{\text{absolute liquid assets}}{\text{current liabilities}} = \frac{\text{cash+Bank}}{\text{creditors}} = \frac{\text{shs } 105,000,000 + \text{shs } 136,800,000}{\text{shs } 4,000,000}$$

$$\frac{242,000,000}{4,000,000} = 60.5:1 \text{ approximately } 61:1$$

Interpretation. The business is able to pay off its current liabilities by 61 times using the most liquid assets.

iv. **Rate of return on capital employed** =  $\frac{\text{Net profit}}{\text{capital Employed}} \times 100$

But capital employed = fixed Capital + Working Capital

But working capital = current assets – current Liabilities.

But current assets = Cash + Bank + closing stock + debtors

$$\text{Current assets} = (\text{shs } 105,200,000 + \text{shs } 136,800,000 + \text{shs } 1,800,000 + \text{shs } 5,700,000)$$

$$\text{Current assets} = \text{shs } 249,500,000$$

**Current liabilities = Creditors**

Current liabilities = shs 4,000,000

Working capital = shs 249,500,000 – shs 4,000,000 = shs 245,500,000

Capital employed = shs 37,250,000 + shs 245,500,000

Capital employed = shs 282,750,000

Or

**Capital employed = total equity + long term liabilities**

But owner's Equity = Capital + Net profit – Drawings

Owner's Equity = shs 215,400,000 + shs 56,450,000 – 0

Owner's Equity = shs 271,450,000

**Total long term liabilities**

Bank Loan + Debenture. = Shs 6,000,000 + shs 5,300,000 = shs 11,300,000

Capital employed = total equity + long term liabilities

271,450,000 + 11,300,000

Capital employed = shs 282,750,000.

**Rate of return on capital employed** =  $\frac{56,350,000}{282,750,000} \times 100 = 19.9\%$  approx. 20%

Interpretation.

For every shs 100 of capital employed made by the business, there is shs 20 net profit

**SOLUTION GUIDE PAPER 3****SECTION A : CASE STUDY****a) Behavioral characteristics associated with strong need for achievement does Mr. Kamya have.**

- ☞ Working for long hours ie opens up a business early
- ☞ Setting moderately difficult but possible goals for themselves
- ☞ has an intense desire for success
- ☞ experimenting with novel activities to reach set goals
- ☞ Seeking help from experts rather than friends to overcome internal blocks e.g seeks advice from entrepreneurs in similar business.
- ☞ Anticipating possibilities of success and failure and do something about the obstacles which can cause failure
- ☞ analyzing the environment to create opportunities for achievement, rather than passively waiting for chances to come their way
- ☞ deriving maximum satisfaction from the achievement itself and less from other factors like money and recognition
- ☞ experiencing positive feelings of joy and satisfaction in achieving disappointment but not condemnation in the failure

- ☞ Learning from feedback, analyzing whether the goal set was too high to be realistically attainable or whether right methods were employed or changes are required.
- ☞ Formulation of concrete goals. E.g construction of hardware.

**b) Basic steps Mr. Kamyra could have followed when taking out the insurance policy.**

- i. Inquiring about the best insurance company.
- ii. Deciding on which insurance company and type to get along with
- iii. Checking the budget and deciding on the money to pay for insurance
- iv. Filling and signing an insurance application form called a proposal form.
- v. Calculating of premiums.
- vi. Issuing an insurance policy.
- vii. Filling a claim form.
- viii. Surveying of damaged property.
- ix. Payment / compensation imply the end or termination of the insurance contract.

**c) Benefits enjoyed by modern building and construction centre for selling goods on cash basis?**

- ✓ It ensures enough working capital for the business.
- ✓ It saves the business from extra paper work costs involved during credit transaction.
- ✓ It creates low risks for bad debts.
- ✓ It ensures constant supply of the business stock.
- ✓ It reduces administrative expenses that are associated with credit sales and debt management such as hiring edit officers.
- ✓ It allows selling to buyers from unknown customers.
- ✓ It enables flexibility in the business since capital/finances are always available.
- ✓ Extra expenses like legal expenses experienced when handling bad debtors are saved from the entrepreneur.
- ✓ It enables an entrepreneur to have ready cash to pay his creditors promptly and obtain cash transaction.

**d) Lessons anyone can learn from the case study.**

- ✓ Acquiring helpful advice from various sources e.g sought advice from entrepreneurs in similar business
- ✓ Ensuring employee – employer relationships ie He delegates duties, selects priorities and motivates staff.
- ✓ Risk and risk management ie insuring the business against risks
- ✓ Time management skills
- ✓ Marketing management skills
- ✓ Being innovative
- ✓ Seeking advice from experts
- ✓ Acquiring training e.g holding a diploma in building and construction.

**e) Factors considered when selecting business location.**

- ✓ Presence of market.
- ✓ Presence adequate market
- ✓ Presence of land for expansion
- ✓ Presence of community support.
- ✓ Presence of well-developed infrastructures
- ✓ Cost of renting premises etc

**SECTION B: BUSINESS CLUB.**

**2a) Nature of the business project**

- Name and address of the business
- Business location
- Products offered
- Purpose of the business
- Date of establishment
- Nature of the business or legal form of business ownership
- Sources of business funds
- Uniqueness of the business
- SWOT analysis etc.

**2b) Techniques used by the business project to minimize business expenses**

- i. Reducing wages paid to labour e.g. cleaner's wages were reduced from 10,000 per day to 8000
- ii. Making labour to work for long hours e.g. from 10am-5pm
- iii. Buying in bulk to minimize transport expenses e.g. in cartons, dozens
- iv. Reducing fringe benefits e.g. transport allowance from shs. 2,000 to shs. 1,000 daily
- v. Reducing discount rates e.g. from 5% to 3% cash discount
- vi. Reducing the number of workers employed e.g. from 5 to 3 cleaners
- vii. Using alternate source of energy e.g. solar energy
- viii. Offering quality products

**2.c) The following are the ways through which the project was relevant to the community**

- i. By providing goods
- ii. By creating market to the community/ people's local produce inform of raw materials
- iii. By contributing to the community development programs e.g. sanitation
- iv. By creating employment opportunities e.g. all cleaners of the project were community members
- v. Providing information for research and study purposes
- vi. By conserving the environment through proper waste disposal
- vii. Encouraging exploitation of idle resources e.g. unused classrooms

**2.d) Ways through which accidents were minimized.**

- i. Installing fire - fighting equipment e.g. fire extinguishers
- ii. Designing and issuing out safety precautions

- iii. Conducting regular training e.g. weekly training
- iv. Providing protective gadgets e.g. gloves, masks, helmets etc.
- v. Providing first aid kits
- vi. Ensuring proper connection of electric wires in business premises to minimize electric shock accidents
- vii. Providing enough light in production rooms
- viii. Ensuring proper cleaning of all the working surfaces e.g. daily mopping, sweeping etc.
- ix. Conducting regular supervision and monitoring of employees
- x. Employing skilled labour
- xi. Ensuring proper storage of hazardous substances e.g. chemicals were kept in covered containers
- xii. Designing warning labels e.g. "put on a mask"
- xiii. Encouraging workers to put on closed shoes while carrying out production
- xiv. Using construction materials that cannot easily caught fire e.g iron sheets instead of spare grass.

### **3.a) Mission statement**

#### **Business name and address**

"To improve on the customer's diet by providing them high quality products at a price which is affordable"

Business name and address.

#### **Vision statement**

"To become the leading manufacturer of high quality snacks in the whole community"

### **3.b) The following are the ways through which innovation was fostered.**

- i. Using attractive unique packaging materials e.g. using paper bags with glittering colours
- ii. Providing a variety e.g. cakes, cookies etc.
- iii. Improving the physical appearance of business premises e.g. painting them
- iv. Ensuring good customer care e.g. polite communication to customers
- v. Carrying out unique and convenient product distribution e.g. door to door distribution
- vi. Offering credit facilities to trustworthy customers e.g. teachers
- vii. Using appropriate modern technology e.g. using electric ovens
- viii. Offering quality products e.g. lemon flavored cakes etc.
- ix. Offering aftersales services e.g. free delivery
- x. Offering discounts e.g 5% cash discount
- xi. Carrying out market survey

### **3c) Tools of written communication used by the business project**

- i. Memos
- ii. Letters
- iii. Notices
- iv. Minutes

- v. Reports
- vi. Circulars etc.

**3d) Measures employed by the business to ensure effective control of cash flow include.**

- i. Minimizing unnecessary cash drawings
- ii. Reducing cash expenditures
- iii. Ensuring proper banking of business cash
- iv. Carrying out regular auditing of books of accounts e.g. week auditing
- v. Keeping business cash in safe lockers
- vi. Having only one authorized person to receive and make cash payments
- vii. Offering regular training of workers to sensitize them about cash management e.g. weekly training
- viii. Budgeting for cash expenditures
- ix. Charging interest on cash drawing to minimize excessive drawing
- x. Ensuring timely payment of utility bills to avoid fines and other charges
- xi. Sourcing for cheap suppliers of raw business suppliers to minimize cash expenditure made on suppliers
- xii. Re-investing business cash by opening up other branches
- xiii. Acquiring loans from cheap financiers to minimize cash expenditure made on interest charges
- xiv. Seeking for long grace period from financiers to minimize cash expenditure
- xv. Using cheap means of transport to minimize cash spent on transport e.g. motorcycles instead of motor-vans

**3.e) The following are techniques that were used by the business project to manage the account receivables.**

- i. Issuing out invoices to business debtors
- ii. Issuing out statement of accounts e.g. they were monthly issued
- iii. Sending polite reminder notices to the business debtors
- iv. Ensuring proper documentation of all documents e.g. invoices, receipts for payments made etc.
- v. Giving shorter debtors collection period e.g. one week
- vi. Offering discounts for prompt payment e.g. 5% cash discount
- vii. Asking for collateral securities of relatively high value e.g. at least 50,000
- viii. Ensuring effective communication with business debtors. E.g. calling them by phone frequently, making personal visits etc.

### **SECTION C: FIELD ATTACHMENT AND TRIP**

**4a) General description of the business visited. (Refer to 2a)**

**4b) the following are the marketing activities practiced by the business attached to;**

- i. Finding who the customers are. E.g. schools, supermarkets. Etc.
- ii. Finding out the customers' needs e.g. quality bread with flavored ingredients
- iii. Developing a product that meet customers' needs. E.g. production of lemon flavored bread

- iv. Setting prices that are affordable e.g. shs 2,000 per small sized bread
- v. Promoting the products. E.g. Trade fairs and exhibition are attended to at Lugogo, adverts on Bukedde TV. are made
- vi. Distributing business products e.g. in supermarkets and nearby schools.

**4c) Ways through which the business attached to maintain the employee welfare**

- i. Provision of safe drinking water e.g. boiled water
- ii. Provision of better meals e.g. spiced food
- iii. Offering training to improve employee skills e.g. weekly trainings are conducted
- iv. Offering company uniforms to employees e.g. 2 pairs of uniforms each
- v. Providing good accommodation to employees e.g. free houses are offered to employees
- vi. Providing employees with transport allowance e.g. shs.20,000 is given everyday
- vii. Organizing end of year staff parties
- viii. Supporting staff development programs e.g. saving schemes
- ix. Providing employees with retirement benefits
- x. Providing food basket to employees
- xi. Providing employees with changing dress rooms
- xii. Providing employees with sick leaves e.g. 2 weeks sick leaves are given
- xiii. Providing first aid kits and medical facilities
- xiv. Providing employees with protective gadgets such as gumboots, gloves, to be used while at work

**4d) Factors that may lead to employee termination at the business visited**

- i. In case of continued absenteeism
- ii. In case of continued illness/poor health e.g. frequent chronic diseases like asthma
- iii. In case production of poor quality products e.g. burnt bread
- iv. In case of failure to respect customers e.g. barking at them
- v. In case of failure to follow work ethics e.g. late coming
- vi. In case of engaging in prohibited acts like theft, sexual harassment
- vii. In case of lack of required qualifications
- viii. In case of engaging in violence like fighting

**5a) N.B. A learner can mention the name of the business visited E.g Ntake Bakery Company.**

**Objectives of the field visit.**

- i. To visualize what takes place at Ntake bakery
- ii. To relate theory work to practical work
- iii. To introduce ourselves to the field of research
- iv. To expose ourselves to the business world

**ii) Lessons learnt include**

- i. Being innovative
- ii. Being hard working
- iii. Motivating employees
- iv. Producing quality products



- v. Employing skilled labour
- vi. Ensuring proper financial management
- vii. Ensuring good handling of customers
- viii. Using advanced technology
- ix. Monitoring and supervising workers when carrying out production etc.

**5b) The business visited maintain security in the following ways**

- i. Installing security cameras
- ii. Deploying security guards
- iii. Providing employees with company uniforms
- iv. Offering training to employees about security cautions
- v. Constructing a strong perimeter fence
- vi. Deploying security dogs around the business premises
- vii. Encouraging visitors to register before accessing business premises
- viii. Checking visitors luggage before accessing business premises
- ix. Restricting employees to carry mobile phones while at work

**5c) Ways through which the business visited minimizes losses**

- i. Insuring the business by acquiring different insurance policies e.g. machinery breakdown and consequential loss insurance policy
- ii. Strengthening security
- iii. Ensuring good record keeping
- iv. Extending credit facilities to trustworthy customers
- v. Undertaking continuous market research
- vi. Using appropriate technology
- vii. Buying raw materials and other inputs from cheap suppliers
- viii. Ensuring proper storage of finished products
- ix. Budgeting for cash expenditure
- x. Producing high quality products etc.
- xi. Ensuring regular payment of business employees.

**5.d) Social responsibilities of the business visited.**

- i. Production of goods and services
- ii. Provision of employment opportunities
- iii. Payment of taxes
- iv. Ensuring environment conservation
- v. Provision of market for the community's produce
- vi. Engaging in corporate social responsibilities
- vii. Utilizing idle resources
- viii. Creation of centers for research and study purposes
- ix. Offering training to community members
- x. Supporting community development programs

**5e) The following are the challenges facing family business**

- i. Difficult decision making
- ii. Succession challenges
- iii. Limited skills to operate the business

- iv. Theft and misuse of funds
- v. Role confusion
- vi. Taking the business for granted
- vii. Disagreement among members
- viii. Excessive drawings
- ix. Laziness

**5. e) ii) Ways through which the business visited maintain hygiene and cleanliness**

- i. Carrying out regular sweeping
- ii. Carrying out regular mopping
- iii. Providing employees with sanitary facilities e.g. soap, sanitizers etc.
- iv. By fumigating all the business premises
- v. Provision of protective gadgets like masks, gloves etc.
- vi. Encouraging employees to regularly trim their hair and covering them while at work
- vii. Encouraging employees to bath regularly
- viii. Encouraging regular washing of employees clothes
- ix. Encouraging proper disposal of wastes
- x. Encouraging employees to use deodorants
- xi. Encouraging regular slashing of grass within the business premises etc.

**For Seminar Details Contact. 0704 911227 OR 0702820109 OR 0705285226 OR 0700765271 FOR BUDDO SEC SCHOOL ENTREPRENEURSHIP DEP'T.**