

P230/2
ENTREPRENEURSHIP
EDUCATION
Paper 2
July/August 2023
3 hours



WAKISSHA JOINT MOCK EXAMINATIONS

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP EDUCATION

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES:

- Answer *four* questions only.
- All questions carry equal marks.
- Credit will be given for the use of relevant diagrams and illustrations.
- Any additional question(s) answered will *not* be marked.

1. You are managing an enterprise dealing in production and distribution of bakery products in your home town.
 - a) Design a cash sale receipt for business use. (5 marks)
 - b) Prepare an operational budget for the business. (7 marks)
 - c) Draft a daily work order schedule for the business. (6 marks)
 - d) Present policy guidelines for enhancing employee creativity. (7 marks)
2. The following information was available from the books of Ekanya enterprises limited for the year ended 31st/12/2019.

Particulars	Amount Shs
Capital	54,820,000
Opening stock	10,000,000
Accounts receivables	9,000,000
Sales	48,000,000
Returns inwards	500,000
Purchases	30,500,000
Returns outwards	600,000
Carriages on purchases	100,000
Salaries & wages	2,000,000
Accounts payable	4,300,000
Inventory	1,100,000
Rent	300,000
Electricity	120,000
Commission received	800,000
Discount allowed	1,000,000
Buildings	40,000,000
Cash in hand	8,000,000
Furniture	13,000,000
Bank overdraft	6,000,000

Additional Information

- (i) Prepaid salaries and wages Shs. 300,000
- (ii) Commission due Shs. 200,000
- (iii) Depreciation on furniture Shs. 1,300,000

Required:

- (a) Compute
 - (i) Sales at cost. (3 marks)
 - (ii) Gross profit. (3 marks)
 - (iii) Salaries and wages ratio. (3 marks)
 - (iv) Capital employed. (3 marks)
 - (v) Average collection period in days. (3 marks)
- (b) Compute and interpret
 - (i) Stock holding period. (3 marks)
 - (ii) Cash ratio. (3 marks)
 - (iii) Net worth to total assets ratio. (4 marks)

3. You are financial controller of a community savings and credit cooperative society in your home area.
- Draft a loan repayment schedule for a client you offered a loan of Shs. 20,000,000 payable at an interest of 10% P.a, in five years period, remitted in 5 equal installments on reducing balance method. (7 marks)
 - Formulate a credit policy to be followed in the group. (7 marks)
 - Present a program for recovering money from debtors with overdue accounts. (6 marks)
 - Present the social responsibilities of the business to the community. (5 marks)
4. You are in a business dealing in mushroom growing with many competitors.
- Develop a marketing plan for the project. (6marks)
 - Write strategies for winning customer acceptance and loyalty. (6marks)
 - Having been joined by one other partner, the business has transformed into a partnership, develop a partnership agreement to govern your operations. (7marks)
 - One of your employees has been offered a job in another mushroom growing business.
Write a letter recommending him for the new assignment. (6marks)
5. (a) You are part of the enforcement team for controlling tax evasion in your municipality. Your role is to ensure that people understand how to compute taxes, pay taxes, keep records and file returns. You report directly to URA.
- Mention the obligations of a tax payer. (4 marks)
 - Advise the tax payers on the procedure to be followed to ensure tax compliance. (4 marks)
- (b) The following employees earn their monthly salaries and allowances as indicated below.

Employee	Basic pay Shs	Allowances Housing	Deductions advances
Suubi James	200,000	35,000	-
Opolot Amos	350,000	50,000	-
Juma Ottik	900,000	100,000	200,000
Aijuka Willy	11,100,000	100,000	500,000

Given the PAYE rates below;

Monthly income	Rates
Not exceeding Shs 235,000	NIL
Exceeding Shs 235,000 but not exceeding Shs, 335,000	10% of the chargeable income by which chargeable income exceeds Shs. 235,000.
Exceeding Shs. 335,000 but not exceeding Shs. 410,000	Shs 10,000 plus 20% of amount by which chargeable income exceeds Shs. 335,000
Exceeding Shs. 410,000	(a) Shs. 25,000 plus 30% of the amount by which chargeable income exceeds Shs. 410,000. (b) Where chargeable income exceeds Shs. 10,000,000 an additional 10% is charged on income exceeding Shs 10,000,000.

Compute (i) Each employees monthly tax liability. (11 marks)

Turn Over