

P230/2
ENTREPRENEURSHIP
EDUCATION
Paper 2
July / Aug. 2023
3 hours



UGANDA TEACHERS' EDUCATION CONSULT (UTEC)

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP EDUCATION

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES:

*Answer **FOUR** questions only.*

All questions carry equal marks

Untidy work will lead to loss of marks.

Credit will be given for use of relevant illustrations.

*Any additional question(s) attempted will **not** be marked.*

1. You are operating a business dealing with the production and sale of bread and cakes and you plan to recruit a sales manager for the enterprise.
 - a) Write the Job description for the sales manager. (06 marks)
 - b) Prepare an advertisement for the post of a sales manager. (07 marks)
 - c) Develop a weekly supply schedule for your products. (06 marks)
 - d) Write an appointment letter to the newly recruited sales manager. (06 marks)

2. a) (i) Give the difference between a cash flow and an income statement. (02 marks)
- (ii) The following information was obtained from the records of DEVINE MERCY CONFECTIONARIES for the period ending 31st December 2017.

	(shs) '000'
Capital	122.670
Land	70.000
Bank (CR)	1.000
Bank loan	20.000
Bank	36.000
Net profit	21.000
Electricity in Arrears	550
Premises	24.000
Rent (CR)	800
Rent income due	120
Stock (1.1.2017)	2.000
Drawings	1.000
Furniture	3.300
Cash	27.000
Trade receivables	4.000
Trade payables	1.700
Stock	1.500
Sales	25.000
Net purchases	11.000
Return inwards	5.000

Required:

- a) Prepare the business trial balance as at 31st Dec.2017. (12 marks)
- b) Compute the following
- i) Inventory turnover ratio (03 marks)
 - ii) Cash ratio (03 marks)
 - iii) Credit payment period (03 marks)
 - iv) Stock turnover period (02 marks)
3. You plan to establish a carpentry workshop in your home place during your vacation.
- a) Write an executive summary for your project. (07 marks)
 - b) Prepare a marketing plan for the business. (06 marks)
 - c) Prepare a site plan for the project. (07 marks)
 - d) Develop policy guidelines for ensuring quality output. (05 marks)
4. Having completed University, you plan to mobilize your colleagues to start a savings and credit co-operative organization (SACCO),
- a) Formulate the credit policy for the SACCO. (06 marks)
 - b) Design the following document to be used in your business.
 - (i) A cash deposit slip (06 marks)
 - (ii) A cash withdrawal form (06 marks)
 - c) Having given a loan to a customer of 8.000.000 shillings to be paid back in eight equal installments at an interest rate of 2% per month, prepare a loan repayment schedule using the reducing balance method. (07 marks)
5. a) (i) Distinguish between tax evasion and tax avoidance. (04 marks)
(ii) State any five Rights of tax payers in Uganda. (05 marks)
- b) A producer bought raw materials worth shs. 45.800.000 (V.A.T Exclusive) which were used to produce goods that were sold at shs.82.600.000 (V.A.T inclusive) Compute the manufacturer's V.A.T liability. (06 marks)
- N.B. Use 18% as V.A.T rate

- c) Janet, a land lord in Nansana owns 4 rentals each costing 500.000 shillings per month. The rental income tax Act provided that;
- 20% of the annual rental income is to cater for expenditure and losses incurred to earn the income.
 - shs 2.820.000 is threshold.
 - 20% is to be charged as rental income tax.

Determine;

- i) The chargeable rental income (07 marks)
- ii) The rental tax paid by Janet for the year. (03 marks)

6. Your youth group operates a large restaurant in your area that sales on cash and credit basis.
- a) Design a work schedule to be followed by workers. (07 marks)
 - b) Prepare an invoice for six players of a club who had lunch at the business. (06 marks)
 - c) Draft guidelines for managing employee discipline in the restaurant. (06 marks)
 - d) Develop a production plan for the business. (06 marks)

END