

P230/2
ENTREPRENEURSHIP
EDUCATION

Paper 2
July/August 2023
3 Hours



CENTRAL REGION TEACHERS' ASSOCIATION (CERETA)

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 use of relevant diagrams and illustrations.*
- ❖ *Any additional question(s) answered will not be marked.*

TURN OVER

1. Kasoma a business tycoon in your area owns a cosmetics business in the names of KASOMA cosmetics limited. The tycoon registered annual sales revenue of shs.82,000,000. The business produces a variety of beauty products such as Jellies, perfumes and perfumed soaps. It employs 4 workers two of whom are casual employees and the other two are highly skilled. In the year 2022, the skilled workers were paid a basic salary of shs.11,000,000 per worker each month with medical allowance of 10% while casual workers earned shs.200,000 per work each month. In addition to providing employment opportunities, the business pays taxes to government which money is used by government to provide social services in the region. Given the corporation tax rate of 30% and the monthly PAYE rates as below

Serial number	Annual income	Annual tax rate
1.	Not exceeding shs.235,000	Nil/zero
4	Exceeding shs.410,000	a) Shs. 25,000 plus 30% of the amount by which chargeable income exceeds shs.410,000 b) Where chargeable oncome exceeds shs10,000,000 an additional 10% is charged on income exceeding shs.10,000,000

Compute:

- PAYE paid by the different workers given their level of skills per month. (6 marks)
- The tax paid by KASOMA cosmetics limited in the year 2022. (3marks)
- Basing on Kasoma's positive attitude to pay tax, educate other community members on the right procedure for tax compliance. (6 marks)
- What was the total tax contribution of KASOMA cosmetics employees to URA in the year 2022. (3 marks)
- Present the other roles of taxation in your area. (7 marks)

2. You have just been hired to work as a human resource manager of a milk processing factory in your home area. A variety of modern machines are used to ease production. This has boosted your output levels as well as sales.

- a) Present guidelines you put in place to manage time by your employees. (6 marks)
- b) Design a form workers use to request for stock from the store keeper. (6 marks)
- c) As a human resource manager, write a job specification for a sales manager of the business. (6 marks)
- d) Design an employee information form for business use. (7 marks)

3. In your community, people are complaining of wide spread poverty among all people especially the youths. Given a donation of shs. 10,000,000. Come up with a project you can set up to help people in your area to overcome poverty.

- a) Establish the root cause of poverty in your community. (6 marks)
- b) Prepare a financial plan for the planned project. (7 marks)
- c) Present a theory of change that you are to use to achieve your vision. (6 marks)
- d) Write guidelines that you plan to put in place to ensure the continued existence of your project. (6 marks)

4. You are a proprietor of a service business that provides mobile banking services to the public. Due to your kind treatment extended towards customers, you have managed to outcompete the rest in the area as a good number of customers comes to your kiosk. This has boosted your daily earnings that you have now opened up another branch in the nearby area to serve your customers better without cuing for long. You have recruited three more attendants to be able to serve customers in time.

- a) By the use of a brochure, help your customers know the location of your new branch. (6 marks)
- b) Present a program you followed in commencing the business operations. (7 marks)
- c) Present some of the guidelines you use in your business to ensure effective communication among workers and with customers. (6 marks)
- d) Design a routing slip for business use. (6 marks)

5. The following balances were extracted from the books of MARKS enterprises for the year 2021.

Items	Amount (shs)
Sales	36,000,000
Purchases	10,500,000
Closing stock	3,500,000
Cash	3,010,000
Bank	(700,000)
Accounts receivables	7,500,000
Accounts payables	550,000
Average stock	5,000,000
Fixed assets	6,000,000
Rate of stock turn	6 times
Total operating expenses	9,750,000
Interest receivables due	60,000

Compute

- i. Opening stock (3 marks)
- ii. Cost of sales (3 marks)
- iii. Net profit (4 marks)
- iv. Capital employed (3 marks)

Compute and interpret

- i. Holding period in days (4 marks)
- ii. Rate of debtor's turnover (4 marks)
- iii. Creditors payment period in weeks (4 marks)

6. You and your other two friends pulled funds together and started importing motor vehicle spare parts from China and selling them in Uganda to earn a living. You employ two more workers to help you in delivering spare parts to various customers.

- a) Present an executive summary of your business (6 marks)
- b) Write the policies you put in your business to monitor its operations. (7 marks)
- c) Prepare an administrative structure observed in your business to ensure proper monitoring and evaluation of business activities (7 marks)
- d) Design an employee evaluation form for business use. (5 marks)

END