

**A 'LEVEL ENTREPRENEURSHIP EDUCATION SEMINAR HELD AT
MBOGO MIXED S.S KAWANDA ON SUNDAY 1ST OCTOBER 2023.**

ENT P230/1

SECTION A

1. a)i) Distinguish between creativity and innovation.
ii) Give any two traits of creative thinkers
bi) mention any two causes of uncertainty in business operations
ii) Give any two factors that promote a positive mental attitude among entrepreneurs
ci) Distinguish between Technical and market feasibility study.
ii) Give any two significances of carrying out feasibility study by an entrepreneur
d) Identify the steps involved in commencing business operations
e)i) Mention any two factors that determine women participation in entrepreneurship in your country.
ii) Give any two factors that foster women participation in entrepreneurship.
fi) Mention any two factors considered when evaluating business competition.
ii) Give any two factors that limit the level of competition among business organisations
gi) What is the relevance of investing in collective investment schemes.
ii) What are the implications of equity financing.
h) Give any four principles of corporate governance.

SECTION B.

- 2) a) Describe the steps involved in changing a business idea into a business opportunity.
b) Explain the factors that influence sales of a business.
c) Why is it necessary for an entrepreneur to generate business ideas.
- 3) a) Explain the aspects that characterize social entrepreneurs.
b) Discuss the major elements of a social enterprise plan .
c) Discuss the remedies to climate change in your country.
- 4) a) Explain the steps involved in preparing a business plan.
b) Describe the structure of the executive Summary of a business.
c) Explain the limitations to effective operation of business plans.
- 5) a) Discuss the political and social cultural factors affecting entrepreneurial attitudes and opportunity identification.
b) How can economic environment be improved ?
- 6) a) Discuss the elements of total quality management.
b) Why should quality be critically observed in an enterprise.
C) When should an entrepreneur ensure proper internal control systems in an enterprise
- 7) a) Explain the factors that influence the choice of a distribution channel of an enterprise.
b) What are the implications of internet marketing as a form advertising.
c) Discuss the factors that limit effective use of advertising as away of promoting sales.

- 8)a) Under what circumstances may an entrepreneur carry out market survey
b) Discuss the steps involved in conducting market assessment.
c) Explain the common methods of pricing business products.
9a) Why should entrepreneurs carry out performance appraisal in their organisations.
b) Account for differences in wages and salaries among workers in an enterprise.
c) What measures are being put in place by entrepreneurs to maintain most of the good employees in an organization.
10)a) Discuss the rights and duties of a tax payer in your country.
b) What are the consequences of non tax compliance according to the provision of Uganda Revenue Authority.
c) Explain the key stakeholders in Uganda's Tax administration.

ENT P230/2

11. The following trial balance relates to Wanjagala enterprises as at 31st December 2022

Details	Dr (Shs)	Cr (Shs)
Sales		11,000,000
Purchases	6,000,000	
Capital		21,650,000
Buildings	9,000,000	
Bank balance	8,000,000	
Furniture	1,200,000	
Sales returns	100,000	
Accounts payables		1,800,000
Carriage on sales	200,000	
Carriage on purchases	100,000	
Salaries and wages	800,000	
Stationery	230,000	
Water bills	50,000	
Insurance	150,000	
Motor vehicle	1,000,000	
Accounts Receivable	600,000	
Cash in hand	350,000	
Drawings	200,000	
Stock	370,000	
Land	7,100,000	
Debentures		800,000
Purchases returns		200,000

Total	35,450,000	35,450,000
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Adjustments

- (i) Stock as at 31st December 2022 shs400,000
- (ii) Unpaid water bills Shs.10.000
- (iii) Accrued salaries and wages Shs. 120,000
- (iv) Un used stationery Shs. 6000
- (v) Depreciate motor vehicle and furniture at a rate of 5% and 10% per annum respectively.

a) Calculate

- i) Net purchases
- ii) Cost of sales
- iii) Gross profit
- iv) Net profit ratio
- v) Non current assets turnover

b) Compute and interpret the ratios

- i) Salaries to turn over ratio
- ii) Average payment period to creditors in days
- iii) Average collection period from debtors in days
- iv) Stock holding period in weeks.

12. The following information relates to projections made by Sherwin enterprises for the months of January, February, March and April 2022;

- i) Projected balance as at December 31st 2021 shs30,000,000.
- ii) Monthly cash sales shs20,000,000 and expected to increase by 20% after two months.
- iii) In March, expected a donation of a bicycle worth shs500,000
- iv) Monthly cash purchases shs2,000,000
- v) Expected to buy a wheel barrow at shs300,000 in January. A deposit of shs100,000 was to be made in January and the remaining balance was to be cleared in the following months in the ratio of 3:2:1.
- vi) Expected to make payments for the following expenses monthly; electricity shs200,000, Rent shs300,000, Stationery shs100,000, and discount to customers shs80,000.
- vii) Monthly cash donations shs1,000,000 and expected to reduce by 10% after the fourth month.
- viii) Debenture to be issued in February shs2,000,000 and debenture to be received in April shs1,000,000.
- ix) In March stock worth shs5,000,000 expected to catch fire while in the store.
- x) Expected monthly credit sales and credit purchases shs600,000 and shs500,000 respectively.
- xi) Expected to receive a loan of shs10,000,000 from centenary bank in January at an interest rate of 10% per month. The principle was to be repaid in a single sum in the fourth month.
- xii) A sale of an old furniture for shs20,000,000 in January and expected to receive the money in four equal instalments

Required:

- a) Prepare a Cash budget for Sherwin enterprises for the four months.
- b) Comment on the Net cash position
- c) Explain the measures Sherwin enterprises would undertake to avoid cash flow shortfalls.

13. (a) Mr. Kabiito is a famer in Semuto town Nakaseke district who deals in growing of tomatoes for sale. In the year 2022, he bought seeds and insecticides at shs800,000. This made him enjoy a profit mark up of 60%. Give that all his transactions were VAT exclusive and VAT rate 18%, Compute

- i) Out put tax.
- ii) Input tax
- iii) VAT Liability

- b) The following monthly salaries and allowances are paid to different employees of OJJAKUKIRIZA SUPERMARKET have been availed to you.

Employee Name	Basic salary (shs)	Taxable Allowances (shs)		
		Medical	Transport	Housing
MAPENGO	2,000,000	250,000	150,000	300,000
MALIBU	900,000	200,000	150,000	250,000
BIMMWA	600,000	150,000	150,000	200,000
NGEREKA	11,000,000	300,000	150,000	500,000

Using the monthly PAYE tax rate shown in the table below.

Tax bracket	Monthly Payment (shs)	Tax rate
Above shs410,000	Exceeding shs. 410,000	(a) Shs. 25,000+30% of amount exceeding shs. 410,000 (b) Where chargeable income exceeds shs. 10,000,000 an additional 10% is charged on the amount exceeding shs. 10,000,000

Compute monthly

- PAYE tax deductions from each employee
- Disposable income for each employee.

14a) Mawezo Furniture Limited imported furniture from China at a CIF value of US \$7,000. This attracted an import duty of 12%, excise duty of 10%, VAT at 18% , Withholding tax 6%, Infrastructural Levy of 1%. Given that 1US\$ = UG shs4,000, Compute the total taxes payable.

- b) Given the presumptive tax schedule below;

Gross turn over per annum	With records	Without Records
Not exceeding shs10m	Nil	Nil
Exceeding shs10m but not exceeding shs30m	0.4% of the annual turn over in excess of shs10m	Shs80,000
Exceeding shs30m but not exceeding shs50m	Shs80,000 plus 0.5% of annual turn over in excess of shs30m	Shs200,000
Exceeding shs50m but not exceeding shs80m	Shs180,000 plus 0.6% of annual turn over in excess of shs50m	Shs400,000
Exceeding shs80m but not exceeding shs150m	Shs360,000 plus 0.7% of annual turn over in excess of shs80m	Shs900,000

Compute presumptive income tax for the businesses below

- i) Ssekamanya enterprises shs28,000,000
- ii) Tomanyira Traders shs47,500,000
- iii) God Glory Bookshop shs70,000,000
- iv) Shannon Traders shs140,000,000

NB: Ssekamanya enterprises doesn't have any records for the business transactions carried out while the rest keep their record of transactions in black books

c) Nansubuga a resident of Kawanda in Nansana municipality owns 10 houses for rent and charges each shs600,000 per month. She spends shs2,000,000 to renovate these houses annually. Given that the threshold is shs2,820,000 and rental tax rate is 12%.

Compute Nansubuga's rental income tax liability.

15. You are planning to start a business dealing in buying and selling of produce in your village area.

- a) Present a site plan for your business
- b) Show and attach a buying plan for the produce on the site plan
- c) Formulate a quality policy you will follow in your business.
- d) Develop a capital expenditure budget for the business.

16. You have been appointed as a human resource manager to revive a declining company that deals in recycling plastics.

- (a) Design a job advert for the post of the procurement manager .
- (b) Write a memo inviting members of staff for a meeting to discuss the declining sales.
- (c) Develop rules and regulations to govern the discipline of workers.
- (d) Draft a pay slip for effecting salary of one of your employees.

17. You have set up a company dealing in the growing and exportation of flowers to Europe.

- (a) Draft a memorandum of association for your company.
- (b) Write the articles of Association for your company.
- (c) Draw a prospectus you use in selling shares to the public.
- (d) Design a shares certificate issued to share holders in your company.

18. You are planning to start a juice processing project.

- (a) Formulate strategies for the survival of the business in the competitive market.
- (b) Draft a program for implementing the proposed business.

- (c) Draft the by laws you will follow in minimizing costs in your business.
- (d) Design a schedule you will use in distributing your business products to customers on a weekly basis.

19. You intend to establish a metal fabrication project in your home area.

- a) Present a theory of change for your business
- b) Prepare a credit note you will issue to one of your customers.
- c) Write a letter to the DISO requesting for the police patrol team in the area where you will establish the business.
- d) Design a performance Appraisal form you will use in your business

ENT P230/3

20. SECTION A: CASE STUDY

Read the case study below and answer the questions that follow.

Rest in peace is a Masaka based funeral service enterprise that was started in the funeral industry. It was registered in 2016 under RIP Ltd . It was based on the availability of over a million clients among the locals, private and public institutions

in Masaka , Mbarara, Fortportal city. It used Centenary bank loan to open up branches in other parts of Uganda.

RIP provides products like meals to mourners, tomb finishing , tents, chairs, public address system, caskets and transport. The company offers various bouquet prices that suit customers tastes and preferences.

The workers are trained on the job in alignment of funeral services with the diverse cultural norms in Uganda, tomb designs, comforting the bereaved families and other ways of giving a decent send off to the departed ones.

It has expanded its horizon through telephone interactions with potential customers, face to face interactions with mourners and using internet to acquire information on the state of art caskets and other funeral products. In addition , oral interviews and written questions are encouraged to analyse customer needs . The company directors and managers are also ever in the field to supervise a series of activities.

Questions.

- a) What benefits does RIP Limited get in operating a formal business?
- b) Identify the factors that should be considered when determining the product prices for RIP limited.
- c) Suggest other forms of employee training that RIP limited could have used.
- d) Mention the methods that RIP Ltd uses to conduct market research.
- e) What are the dangers the business is likely to face resulting from relying on loan?

SECTION B : SCHOOL BUSINESS CLUB

21. With reference to your school Entrepreneurship Club business project

- a) Describe the business project carried out
- b) Identify business assets possessed by your project.
- c) Explain the importance of effective cash management to your business.
- d) Describe the process you used to handle indisciplined club members
- e) What were the objectives of the sales promotion activities you used in the business?

22. In relation to the School Business Project carried out by your Entrepreneurship Club;

- a) State two
 - i) Goals for the business club project
 - ii) Objectives for the business club project
- b)i) Identify the type of labour used in your business
 - ii) Explain the benefits the business enjoyed in using the labour in the production process.
- c)How did you maximize profits in the business.
- d)Of what importance was effective communication to the business project.

SECTION C FIELD ATTACHMENT / FIELD TRIP

23. For any field attachment in which you were involved;

- a) Give the profile of the business you were attached
- b)i)Identify the advertising medium that the business uses.
- ii)What factors were considered in choosing that advertising medium in bi) above.
- c)Explain why the business undertakes business planning.
- d)Advise the proprietor on the steps involved in taking an insurance policy

24. For any field trip you made either as an individual or a group

- a)i) State the objectives of the field trip.
- ii) Mention the legal form of the business you visited
- b)What economic environment factors influenced opportunity identification in the business you visited
- c)Describe the critical areas considered by the business when planning for change.
- d)i) Explain the terms and conditions for selling goods and services.
- ii) Advise the owner on the advantages of selling goods on cash basis.