

P230/1
ENTREPRENEURSHIP
EDUCATION
Paper 1
AUGUST, 2023
3 hours



JINJA JOINT EXAMINATIONS BOARD

Uganda Advanced Certificate of Education

MOCK EXAMINATIONS – AUGUST, 2023

ENTREPRENEURSHIP

EDUCATION

Paper 1

3 hours

INSTRUCTIONS:

- a) This paper consists of **two** sections **A** and **B**.
- b) Section **A** is compulsory and answers to this section must be precise
- c) Answer any **four** questions from section **B**.
- d) All questions in section **B** carry equal marks.
- e) Any additional question(s) done will **not** be marked.

SECTION A (20 MARKS)**Answer all questions in this section**

1. (a) (i) List any two elements of financial management in business enterprises. (02 marks)
- (ii) State any two uses of accounting information in business enterprises. (02 marks)
- (b) (i) Distinguish between the terms marketing techniques and marketing strategy as used in business. (02 marks)
- (ii) Mention 2 objectives of marketing to a business enterprise. (02 marks)
- (c) Why may an entrepreneur sell goods on credit. (04 marks)
- (d) (i) Define the term entrepreneurial environment. (01 mark)
- (ii) Suggest three strategies that can be adopted by entrepreneurs for improving entrepreneurial environment. (03 marks)
- (e) Mention any four legal documents used in buying and selling of shares. (04 marks)

SECTION B (80 MARKS)

2. In production of output for sale entrepreneurs have to procure business inputs from right sources to be turned into semi-finished and finished goods;
 - (a) Explain the factors entrepreneurs consider in procuring business inputs. (12 marks)
 - (b) Describe the source documents used by entrepreneurs in the above process. (08 marks)
3. Entrepreneurs in an attempt of being orderly in carrying out business activities, develop a document to guide them.
 - (a) Of what importance is this document to an entrepreneur? (08 marks)
 - (b) Suggest possible strategies to be adopted by an entrepreneur in successful implementation of business activities. (12 marks)
4. Uganda Revenue Authority (URA) in assessing collecting and administering taxes follows universally accepted guidelines.
 - (a) Describe any 6 guidelines observed by URA in tax administration in Uganda. (12 marks)
 - (b) Explain the challenges faced by URA in tax administration. (08 marks)
5. (a) Examine the factors that affect women's participation in entrepreneurial activities.
- (b) Suggest measures that should be taken to promote gender balance in entrepreneurial activities in Uganda.

6. (a) Describe the various ways an enterprise puts in place to increase employee production efficiency. (08 marks)
(b) Under what circumstances may an entrepreneur pay low salaries and wages to employees. (12 marks)
7. (a) Examine the role of social entrepreneurship in economic development of Uganda. (12 marks)
(b) What threats are faced by social enterprises in community development. (02 marks)

P230/2
ENTREPRENEURSHIP
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Paper 2
AUGUST, 2023
3 hours



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Uganda Advanced Certificate of Education

MOCK EXAMINATIONS – AUGUST, 2023

ENTREPRENEURSHIP

EDUCATION

Paper 2

3 hours

INSTRUCTIONS:

- a) Attempt **four** questions only.
- b) All questions carry equal marks.
- c) Credit will be awarded for use of relevant examples and illustrations.
- d) Any additional question(s) attempted will **not** be marked.

1. You have mobilized savings to establish a business making gift bags and other packaging materials.
 - a) Develop the executive summary of the project (06 marks)
 - b) Present the production plan. (07 marks)
 - c) Prepare a production expenses budget for the project (06 marks)
 - d) Using a media of your choice make an advert for your products (06 marks)

2. You are operating a Juice processing project in your home town competing with other similar business.
 - a) Prepare a SWOT analysis guide to determine the competitive advantage of the business. (06 marks)
 - b) Design an invoice to be used in the business (07 marks)
 - c) Prepare the plant layout for the project (06 marks)
 - d) Prepare a program for negotiating with suppliers of materials and inputs (06 marks)

3. You are operating a money lending business in your village.
 - a) Design a loan application form to be used by borrowers (06marks)
 - b) Prepare a loan repayment schedule for a customer who has borrowed shs. 4,000,000/- at an interest rate of 5% p.m to be paid in 5 installments monthly. Using the reducing balance method. (06marks)
 - c) Write an apology letter to a customer for failing to give him the above loan on the due date requested for. (07marks)
 - d) Design a debt reminder form to be used to claim loan repayment. (06marks)

4. You have been recruited as the general manager in a paper making industry.
 - a) Design an advert for the post of quality controller (06marks)
 - b) Prepare a program for interviewing applicants (07marks)
 - c) Prepare the interview schedule to be followed in interviewing the applicants. (06marks)
 - d) Prepare guidelines for ensuring effective time management in the business (06marks)

5. TRUST FACTORY which commenced operation on the 1st of January 2023 had the following records for the first 4 months of 2023.
 - (i) Expected sales in bags were 300, 250, 200, and 140 in the respective months. Each bag was to be sold on cash basis at shs. 80,000/=
 - (ii) The business obtained a bank loan of shs. 20,000,000/= in January to finance 50% of the business startup. The owner contributed the remaining percentage of the startup funds.
 - (iii) Advertisement expenses of shs. 6,100,000/= to be paid in the month of launching the product into the market.
 - (iv) Expected cash purchase to be made were 200, 360, 380, and 420 bags each at cash purchase price of shs. 40,000/=
 - (v) A payment mode for startup assets in January was worth shs. 30,000,000/=
 - (vi) Monthly credit sales expected to be 50% of each month's cash sales. The credit customers are expected to pay 50% in the month following that of sale and the balance in the next month.

- (vii) Estimated pre – operating expenses to be paid in the first month are worth shs. 9,000,000/=
- (viii) Administrative expenses expected to be paid in January shs. 4,300,000/= and this is expected to reduce by shs. 300,000/= with effect from the second month.
- (ix) Monthly direct wages to be paid projected to be shs. 2,400,000/=.
- (x) Commission of shs. 2,000,000/= and shs. 6,000,000/= will be earned in the months of January and March respectively.
- (xi) Other monthly expenses and payments to include.
Electricity shs. 1,200,000/=
Depreciation shs. 600,000/=
NB: Electricity for February was to be paid in March.
- (xii) Tax payable in January was to be $\frac{1}{8}$ of the cash sales.
- a) Prepare TRUST FACTORY'S cash Budget for the month of January – April 2023. (23 marks)
- b) Comment on the net cash position (02 marks)

6. Isabirye imported a used car from Japan in 2022 at a cost of US \$1,000. He paid US \$300 for insurance and freight. The car attracted an import duty of 25%, excise duty of 50%, VAT of 18%, and environmental duty of 20%. At the time of importation, the exchange rate in Uganda was 1 US \$= USHS 3,000. Calculate Isabirye's

- (i) Customs value (04 marks)
- (ii) Import duty (02 marks)
- (iii) Excise duty (02 marks)
- (iv) Environmental duty (02 marks)
- (v) Total taxes payable (03 marks)
- (vi) Cost of the car in Uganda (02 marks)

b) In addition Isabirye earned the following incomes from his house in Uganda and Kenya for the year 2022

House location	Monthly rent incomes (shs)
Kampala	4,500,000
Nairobi	4,000,000
Wakiso	1,800,000
Jinja	1,700,000
Total	12,000,000

Additional information

- A tenant in Wakiso disappeared with rent arrears for two months
- Isabirye earned extra shs400,000
- He spent shs2,000,000 for painting his four houses

Required,

Given rental tax rate of 20% and

- (i) Annual gross rent income
- (ii) Chargeable rental income
- (iii) Rental tax liability

threshold of shs2,820,000, calculate Isabirye's

(04 marks)

(03 marks)

(03 marks)