

STANDARD HIGH SCHOOL ZZANA

Uganda Advanced Certificate of Education

MID TERM I EXAMINATIONS, 2020

S.6 ENTREPRENEURSHIP EDUCATION

PAPER 2

TIME: 3HOURS

INSTRUCTIONS

- Answer any **four** questions.
- FORWARD SCANNED ANSWERS TO stahiza2020@gmail.com

1. You are operating a microfinance bank in your home town.
 - a) Design a cheque leaf to be used in your business. (06marks)
 - b) Design a loan application form to be filled in buying loan applicants. (06marks)
 - c) Design a cash deposit slip to be used in your business. (06marks)
 - d) Prepare guidelines for giving loans to your clients. (07marks)
2. You are operating a fruit processing project and you would like to recruit sales agents.
 - a) Prepare a job specification for the sales agent. (05marks)
 - b) Design a purchase order to be used when ordering for materials in your business. (07marks)
 - c) Prepare an appointment letter for the newly recruited sales manager. (08marks)
 - d) Formulate guidelines for developing creative ability in your business. (05marks)
3. The following information is availed to you from the books of MWANAMKE ENTERPRISE LTD for the months of March, April, May and June 2018.
 - i. On 1st March 2018, the business started with a cash balance of shs 2,400,000.
 - ii. Expected monthly cash sales were to be shs 6,400,000.
 - iii. Cash donations were expected to be shs 800,000 per month for three months then it would increase by 20% in the last month.
 - iv. Cash purchases were expected to be shs 4,000,000 per month.
 - v. A loan of shs 8,000,000 was to be obtained in the month of March.
 - vi. Monthly salaries for workers were shs 1,200,000 per month.
 - vii. Credit sales were to be shs 5,000,000 per month. Cash collection from debtors would be made in the following month.
 - viii. A machine was to be purchased in March at shs 10,000,000 on hire purchase basis. A cash deposit of shs 2,000,000 was to be made in March and the balance to be paid in the ratio 4:3:1.
 - ix. The business expected to buy goods on credit for shs 6,000,000 in May. Payment to creditors would be made in June.

- x. The loan would be paid in five equal monthly installments at an interest rate of 10% per month starting from April.

Required;

- a) Prepare a cash flow statement for the business for the months of March, April, May and June 2018. (21marks)
- b) State the net cash position of the business. (04marks)

4. The following information relates to KATEGAYA AND SONS as a 31st December 2016.

| ITEM | SHS |
|-----------------------|------------|
| Sales | 36,500,000 |
| Purchases | 30,000,000 |
| Sales returns | 500,000 |
| Purchase returns | 800,000 |
| Stock at start | 5,600,000 |
| Stock at close | 4,800,000 |
| Carriage inwards | 1,200,000 |
| Carriage outwards | 800,000 |
| Discount allowed | 500,000 |
| Discount received | 1,000,000 |
| Salaries and wages | 2,400,000 |
| Bad debts written off | 200,000 |
| Insurance | 450,000 |
| Premises | 6,000,000 |
| Motorvehicle | 4,500,000 |
| Commission received | 600,000 |
| Debtors | 3,000,000 |
| Creditors | 2,500,000 |
| Bank overdraft | 4,000,000 |
| Cash in hand | 2,800,000 |
| Cash at hand | 1,500,000 |
| Bank loan | 6,400,000 |
| Capital | 9,000,000 |

a) Calculate;

- i. Cost of sales (04marks)
- ii. Gross profit (03marks)
- iii. Net profit (05marks)
- iv. Working capital (04marks)
- v. Capital employed (03marks)
- vi. Capital owned (03marks)
- vii. Liquid capital (03marks)

5. You are provided with the following record from the books of MAGOMU AND SONS LTD as at 31/12/2017.

| PARTICULARS | Dr (SHS) | Cr(SHS) |
|---------------------|-------------------|-------------------|
| Sales/purchases | 6,000,000 | 9,000,000 |
| Returns | 100,000 | 500,000 |
| Accounts receivable | 460,000 | |
| Accounts payable | | 250,000 |
| Stock (01/01/2017) | 500,000 | |
| Drawings | 300,000 | |
| Cash balance | 1,200,000 | |
| Bank balance | 4,800,000 | |
| Bad debts recovered | | 150,000 |
| Premises | 9,220,000 | |
| Equipment | 3,220,000 | |
| Furniture | 4,400,000 | |
| Motorvehicle | 10,000,000 | |
| Electricity | 100,000 | |
| Salaries | 800,000 | |
| Bad debts | 60,000 | |
| Carriage inwards | 50,000 | |
| Carriage outwards | 70,000 | |
| Commission received | | 600,000 |
| Bank loan | | 1,120,000 |
| Capital | | 30,160,000 |
| TOTAL | 41,280,000 | 41,280,000 |

NB. *Closing stock was valued at shs 380,000.*

Require;

- Prepare an income statement for the period ended 31/12/2014.
- Prepare a balance sheet as at that date.

END