

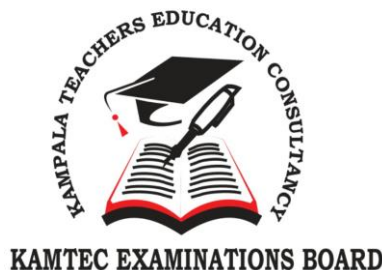
Candidates' Name:

Signature:

Random No.					Personal No.		

(Do not write your school / Center name or Number anywhere on this booklet)

845/1
ENTREPRENEURSHIP
EDUCATION
Paper 1
July / Aug 2024
2 $\frac{1}{2}$ HOURS



Uganda Certificate Of Education
ENTREPRENEURSHIP EDUCATION
Paper 1

TIME: 2 hours 30 minutes

INSTRUCTIONS TO CANDIDATES

*This paper consists of section A and B. It has **five** examination items.*

*Section A has **three** compulsory items.*

*Answer **one** item from Section B.*

*Answer **four** examination items in all.*

*Any additional item(s) answered will **not** be scored.*

All responses must be written in the response booklet(s) provided.

FOR EXAMINER'S USE ONLY			
SECTION	ITEM	SCORE(S)	EXAMINER'S SIGNATURE
A	1		
	2		
	3		
B	4		
	5		
TOTAL			

SECTION A

Answer **all** items in this section

Item 1

Moses is running a large restaurant in Bukaali trading centre which he started after winning a cheque of UGX 3,000,000 /= when he emerged the best swimmer in Buvuma district. It was easy to start a restaurant because of the large piece of land

(4 acres) owned by his mother. In 2018, he used his father's land title to acquire UGX 10,000,000 /= loan for Buvuma SACCO. He did not live a luxurious life and would re-invest all the profits to enable him afford over draft facilities because he was running a current account with other three banks. He now has four branches and has invested other three friends of his to join into a partnership.

Task

- a) Discuss the main source of capital Moses used to start his business. (04 Scores)
- b) What benefits are enjoyed by Moses for operating numerous branches? (08 Scores)
- c) Advise Moses on demerits of the legal form of business wanting to transform to. (08 Scores)

Item 2

Moses owns the juice processing business in a trading centre in his home area. He wakes up early at 6:00am to organize the juice for his customers up to late evening at 6:00pm. Due to increased demand of the juice he has decided to recruit more three employees to handle production, packing, distribution and marketing of juice products.

The business has three major challenges of inadequate funds, shortage of raw material and changing customer preference. Recently, the government of Uganda has introduction Parish Development Model Funds in their area.

Task:

- a) What are the likely benefits of Moses' plan to acquire the above funds?(07 Scores)
- b) Explain to Moses the factors he should consider when selecting the supplier of raw materials. (07 Scores)

- c) Use your entrepreneurship skill to guide him on the budget of shs. 1,000,000 from Parish Model Funds. (06 Scores)

Item 3

Most of the entrepreneurs in Uganda engaged in both local and foreign trade lack information about taxation policy and don't understand most of the taxes they are expected to pay and what they mean.

Task

- a) Help them understand some of those taxes they are expected to pay and what they mean. (10 Scores)
- b) What may hinder the entrepreneurs from meeting the about obligation? (10 Scores)

SECTION B

Answer **one** item in this section

Item 4:

Mary operates Sure Bakery Limited in Namasagali Town Council. She has provided you with the following transactions and seeks for your assistance.
2023 June 1st started the business with cash at hand shs. 50,000.

Cash at bank shs. 120,000

2nd bought goods for cash shs. 32,000.

4th bought furniture by cheque shs. 20,000.

6th sold goods by cheque shs. 12,000.

9th withdraw cash from the bank for office use shs. 10,000.

10th received cash from Kato shs. 15,000.

14th paid wages in cash shs. 5,000.

17th banked cash shs. 11,000.

22nd bought stationary by cheque shs. 7,000.

23rd cash sale shs. 8,000.

25th paid rent in cash shs. 7,500.

27th withdraw cash shs. 2,000 for personal use.

30th paid electricity by cheque shs. 5,000.

Task: Help the Entrepreneur.

- a) Prepare an appropriate subsidiary book to record the above transactions. (10 Scores)
- b) Prepare a statement to check the arithmetic accuracy of entries in the ledger. (10 Scores)

Item 5:

In January 2024, Tip Top Limited accountant went to China for further studies before preparing the financial statement from the business. The accountant the details obtained from the ledger balances of the Bakery for the year ended 30/June/2024 as follows;

Details (Shs.)	Amount
Sales	175,000
Purchases	79,200
Sales' return	5,000
Return outward	2,200
Opening stock	45,000
Closing stock	50,000
Rent and rates 16,000	
Electricity	12,000
Equipment	65,000
Furniture	58,800
Debtors	16,000

Creditors	11,000
Bank loan	24,000
Cash at hand	19,000
Cash at bank	30,000
Drawing	8,000
Discount allowed	5,000
Discount received	9,000
Commission receivable	6,000
Capital	240,000
Wages and salaries	24,000
Stationary	14,200
Bank overdraft	30,000
Motor vehicle	100,000

Task:

Prepare for Tip Top Limited the relevant financial statement to;

- (a) Check the arithmetic accuracy of the ledger balances. (10 Scores)
- (b) Determine the profit or loss made by the business. (10 Scores)

END