

845/1

Entrepreneurship Education

Paper 1

2 hours and 30 minutes

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UCE PRE-MOCK EXAMS 2024
ENTREPRENEURSHIP EDUCATION

Paper 1

2 Hours 30 Minutes

Instructions to candidates

- This paper consists of **two** sections **A** and **B**. it has **five** examination items.
- Section **A** is compulsory
- Answer one question from section **B**
- Answer **four** examination questions in all.
- Any additional examination item(s) answered shall not be scored.
- All answers must be written in the booklet(s) provided.

SECTION A

Item 1

Nantongo Laura is a prominent business woman in Masaka city. She owns a supermarket and employs more five people who help her in the running of the business. For the last three years of the operation, she has experienced a lot of challenges including having dishonest workers that take wrong records, theft and abuse of customers by the workers and many others. This has resulted into long sales, low profits and reduction of capital from UGX 26,000,000 in 2021 to UGX 12,000,000 in 2024. She is also planning to reduce on the number of workers from five to three. She is wondering on what should be done to increase sales and capital of her business in order to avoid business failure.

Task

As a student of entrepreneurship with entrepreneurship skills, advise her on how she can overcome this challenge. **(20 marks)**

Item 2

Last month, traders in Kampala city demonstrated over the issue of the introduction of EFRIS (Electronic Fiscal Receipting and Invoicing Solution) by Uganda Revenue Authority (URA). EFRIS involved the use of Electronic Fiscal devices or direct communication with business transaction systems to manage the issuance of e-receipts and e-invoices in accordance to the tax procedure code act of 2014. Traders' complaints were on high taxes charged paying different taxes which they termed as double taxation others were ignorant about the importance of paying taxes.

Task

As an entrepreneurship student, prepare a sensitization message to the traders, clearly explaining the uses of taxes. **(20 marks)**

Item 3

Kambasu is a business man in Kasese town. He owns a company producing fruit juice. The company employs over 50 workers and produce 1000 litres of juice per day. The company also owns a number of properties such as trucks that distribute their products to different clients, machines used in the manufacture of juice, furniture among others.

However, since the factory started operating, it has been facing a number of challenges such as death of workers, theft of the products, accidents caused by his trucks, fire outbreak which resulted into heavy losses, more so, the community is not happy due to the loss of his members without compensation. Kambasu desires to protect his factory but he is ignorant about insurance.

Task

- a) Explain to Kambasu the steps he should follow to take up an insurance policy.
(10 marks)
- b) Write an essay explaining how he will benefit from taking up relevant insurance policies.
(10 marks)

SECTION B

MK enterprises had a cashier who was good at taking records for every transaction in the business. However, in November 2020, the cashier became undisciplined and was fired by the boss in later December after preparing a trial balance. The trial balance was as follows;

MK enterprises

Trial balance

As at 31/12/2020

Particulars	Dr (shs)	Cr (shs)
<i>Purchases</i>	<i>90,000,000</i>	
<i>Sales</i>		<i>128,000,000</i>
<i>Return inwards</i>	<i>6,000,000</i>	
<i>Carriages inwards</i>	<i>10,000,000</i>	
<i>Stock (1st Jan 2020)</i>	<i>28,000,000</i>	
<i>Rent</i>	<i>4,000,000</i>	
<i>Advertising</i>	<i>8,000,000</i>	
<i>Premises</i>	<i>122,000,000</i>	
<i>Machinery</i>	<i>75,000,000</i>	
<i>Debtors</i>	<i>18,000,000</i>	
<i>Bank loan</i>		<i>60,000,000</i>
<i>Creditors</i>		<i>31,000,000</i>
<i>Cash in hand</i>	<i>14,000,000</i>	
<i>Cash at bank</i>	<i>27,000,000</i>	
<i>Drawings</i>	<i>10,000,000</i>	
<i>Discount allowed</i>	<i>5,000,000</i>	
<i>Discount received</i>		<i>6,000,000</i>
<i>Commission received</i>		<i>20,000,000</i>
<i>Capital</i>		<i>190,000,000</i>
<i>Carriage outwards</i>	<i>8,000,000</i>	
<i>Wages and salaries</i>	<i>15,000,000</i>	
Total	440,000,000	440,000,000

Additional information;

Stock (31/12/2020) was valued at Shs. 48,000,000.

Task

As a student with entrepreneurship skills, help MK enterprises to determine the net profit and financial position of the business.

(20 marks)

Asaba poultry feeds Ltd maintains an imprest system and the imprest amount for the month is UGX. 1,000,000. During the month of October 2019, the petty cashier made the following payments.

- 1st Oct petty cash balance shs. 180,000
- 1st Oct reimbursement was made of shs. ___??
- 3rd Oct fuel costs shs. 120,000
- 3rd Oct breakfast for workers shs. 23,000

4 th Oct	stationery for office work shs. 23,000
5 th Oct	wages for casual staff shs. 160,000
6 th Oct	staff meals shs. 88,000
7 th Oct	newspapers and magazines shs. 30,000
8 th Oct	paid james a supplier shs. 130,000
9 th Oct	postage stamps for office mail shs. 3,000
10 th Oct	truck oil shs. 8,000
11 th Oct	truck repair cost shs. 20,000
12 th Oct	paid Musooke a creditor shs. 12,000
13 th Oct	repair of machinery shs. 5,000
14 th Oct	transport for workers shs. 18,000
15 th Oct	wages for management shs. 250,000
16 th Oct	truck repair shs. 45,000
17 th Oct	envelopes shs. 1,500
18 th Oct	transport refund to production manager shs. 15,000

Task

Prepare a petty cash book using travelling, wages, repairing, stationary, general office expenses and ledger analysis columns.

(20 marks)

END