

845/1  
ENTREPRENEURSHIP  
EDUCATION  
Paper 1  
July/Aug. 2024  
2½ hours.



**UGANDA TEACHERS' EXAMINATIONS SCHEME**

**Uganda Certificate of Education  
JOINT MOCK EXAMINATIONS  
ENTREPRENEURSHIP EDUCATION**

**Paper 1**

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

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

*All answers **must** be written in the answer booklet(s) provided.*

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**Turn Over**

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## **SECTION A**

*Answer all items in this section.*

### **ITEM 1**

Joshua and Esau are very close friends who have mobilized resources worth Ugx. 100,000,000 by contributing equally together. They have used part of resources to buy land in the village worth vax 50,000,000 to start up a business but stranded on what to do.

### **TASK**

Use your entrepreneurial skills to guide Joshua and Esau:

- (a) Choose the feasible business opportunity.
- (b) A written agreement that binds their business operation.
- (c) Formalize a business.

### **ITEM 2**

Mark is operating a furniture workshop in his home town. He deals in sofa sets, dinning and office tables, chairs, side boards and beds of different varieties. Mark started well however, he exhibits bad ethical behaviours towards his employees, creditors as well as government. Currently the number of sofa sets, office tables sold per week has reduced. Thieves broke into the workshop and stole some chairs, beds and cash at hand. He also lost his experienced workers to his competitors. The CAO of the area has asked him to provide a document specifying the projected requirements for producing the products so as to benefit from the government grants but Mark has no idea. Some of his production machinery are obsolete and he is planning to buy new ones but he is not sure of where to buy them.

### **TASK**

How can mark solve the challenges in the scenario as an entrepreneur?

### **ITEM 3**

Mukama operates a general merchandise business in Kampala city. He has operated for 3 years without paying taxes due to limited awareness about the taxes he should pay and the tax authorities have threatened to close his business.

Mukama also keeps a lot of cash at the business premises and at home due to limited banking financial literacy he is hence bound to suffer a heavy financial loss. His customers at times complain about selling poor quality products at extreme high prices. Mukama's records during the month, of June 2024 also revealed the following transactions as given below:

Goods	Purchases Ugx Vat exclusive	Sales Ugx Vat exclusive
Baking flour	15,000,000	18,000,000
Cooking oil	40,000,000	55,000,000
Sugar	42,000,000	65,000,000
Cosmetics	80,000,000	98,000,000

Mukama still has difficulties of determining the VAT liability of his business.

### **TASK**

Help Mukama to solve the challenges facing his business.

**Turn Over**



#### ITEM 4

Alpha Family Bakery Enterprises is owned by Peter and his wife Mary, one son and daughter. The daughter is in charge of record keeping but with limited accounting skills. Martha (daughter) managed to determine the arithmetic accuracy of the balances extracted from the business ledger but failed to determine the financial position and profit or loss of the business.

The arithmetic accuracy of the balance as at 30<sup>th</sup> June 2023 revealed the following;

	Dr (Ugx)	Cr (Ugx)
Capital		60,000,000
Sales		201,000,000
Stock (1 <sup>st</sup> July 2022)	9,000,000	
Purchases	127,800,000	
Drawings	27,000,000	
Lighting	5,700,000	
Loan (10 year)		33,000,000
Discount received		4,500,000
Rent	7,200,000	
Cash	1,200,000	
Interest received		1,500,000
Salary & wages	15,600,000	
General expenses	2,100,000	
Bank	3,600,000	
Carriage out wards	3,300,000	
Creditors		27,000,000
Premises	60,000,000	
Commission	6,000,000	
Debtors	36,000,000	
Furniture	22,000,000	
<b>Total</b>	<b>327,000,000</b>	<b>327,000,000</b>

**Note:** closing stock (30<sup>th</sup> June, 2023) is Ugx 12, 000,000.

#### TASK

Using your knowledge of accounting, help Martha to prepare the relevant business financial statements.

**ITEM 5**

Daniel deals in Agribusiness, who specialized in coffee hulling business. Danniell's account went for the 2 months sick leave before preparing the financial statements. He left the details obtained from ledger balances of the Dan coffee hullers limited for the year ending 31<sup>st</sup> December 2023 as follows:

<b>Particulars</b>	<b>Ugx</b>
Stationery	550,000
General expenses	900,000
Rent	900,000
Motor expenses	500,000
Commission received	500,000
Purchases	86,000,000
Sales from coffee beans	100,000,000
Opening stock (coffee beans)	30,000,000
Closing stock (coffee beans)	25,000,000
Buildings	130,000,000
Debtors	10,000,000
Creditors	15,000,000
Overdraft	9,000,000
Coffee huller machine	59,000,000
Capital	120,000,000
Drawings	13,000,000
6 years' bank loan	83,650,000

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However, Dannel had to attend the 2 weeks' international coffee conference abroad for the last 2 weeks of December 2023, making difficult to complete the accounting process of his business.

### **TASK**

Prepare for Dannel the relevant financial statements to:

- (a) Determine the profit or loss made by the business
- (b) Determine the financial stand of the business.

**END**