

EG

UGANDA ADVANCED CERTIFICATE OF EDUCATION 2022

ENTREPRENEURSHIP EDUCATION PAPER 2 – P230/2 MARKING GUIDE

1. (a) The circular to invite the staff to attend a two days' training on effective communication practices should have/ include:

1. Business name and address.
2. Business logo
3. Business contacts
4. Business location
5. Document name i.e. circular
6. Circular number
7. To: target audience/ group (all staff members)
8. From: (Author of the document)
9. Date of writing the document; (29th November, 2022)
10. Subject line i.e. SUBJECT OR RE: INVITATION TO A TWO DAYS' TRAINING ON EFFECTIVE COMMUNICATION PRACTICES:
11. Body of the document should clearly bring out:
 - Reason/ purpose for writing the circular/ invitation to attend a two day's training on.....
 - Venue of the training.
 - Day and date for the activity/training.
 - Time for the training.
 - Any other special activities that will take place.
 - Expression of hope for a positive response.
12. Details of the author: signature, name and title.
13. Carbon copy line i.e. CC
14. Any enclosure/ attachment e.g. programme for the training.

NB: Take the date of writing the circular from 29th November – 31st December, 2022.

b) The circulation slip to be attached to information to be sent to four managers in the business should include:

- 1. Business name and address.
- 2. Document name i.e. circulation slip.
- 3. Circulation slip number.
- 4. Business logo.
- 5. Date of writing the circulation slip i.e. 29th November, 2022.
- 6. Opening statement to the managers/ target group i.e. please read the information attached, sign on the slip and pass on to the next person on the list.
- 7. Serial number column; filled in or blank
- 8. Date column; filled in or blank.
- 9. Name of manager column; filled in or blank.
- 10. Department or title column; filled in or blank.
- 11. Signature/ initials column; left blank.
- 12. Return to..... Office/ manager on..... Date.....
- 13. Author's details i.e. signature, name and title (Must be filled in).
- 14. Frame of the document.

Any 6 × 1 = 6 Marks

(c) The notice for the sale of an old truck should have or bring out the following:

1. Business name and address
2. Business location
3. Business contacts
4. Business logo
5. Document name i.e. Notice / bid notice for the sale of an old truck/ used truck
6. Date of writing the notice.
7. Target group to whom the notice is addressed.
8. Background information specifying intention to sell the truck.
9. Description of the truck to be sold e.g. model, make, type, status, vehicle registration number, etc.
10. The condition or method of sale; i.e. "as is, where is basis"
11. Eligibility of the buyer.
12. Clause stating non refundable fees of Shs.....
13. Date of sale.
14. Place, date and time for viewing the old truck by the interested buyers.
15. Mode of submission of interest to buy the truck.
16. Terms and conditions of sale or state of the truck to be sold.
17. Terms of payment.
18. Time frame within which the buyer should effect payments.
19. Limitation on liability of the business/ seller.
20. Bidding procedure/ schedule tabulated as below;

Time frame/ date	Activity
	Advertising/ publishing of the bid for the sale of the truck. Receiving of bid applications/ interests to buy the truck. Opening of the bids. Evaluating the bidders/ interested buyers. Receiving payments for the truck Handing over the truck to the best buyer/ bidder.

21. Details of the author/ official authorized to issue/ place the notice on behalf of the business.

Any 7 × 1 = 7 Marks

d) Strategies to ensure effective communication should have the following:

1. TITLE: I.E. BUSINESS NAME AND ADDRESS
STRATEGIES TO ENSURE EFFECTIVE COMMUNICATION IN THE BUSINESS
2. Sending the message at the right time when the receiver is able to receive it e.g. during working hours.
3. Ensuring completeness of the message by including in it all the relevant facts to be known.

4. Using of simple language that is well understood by the target receivers, and avoiding jargons and slangs.
5. Ensuring that the message is brief but containing all the relevant information to be known. / sending concise/ precise message having relevant information to be communicated.
6. Selecting the appropriate channel of communication suitable to the receiver. / sending the message using an appropriate medium that is usually used by the target receivers (recipients).
7. Making the message to be sent clear enough. / ensuring clearness or clarity of the message.
8. Sending the message from or within the right or noise free environment that allows the targeted receiver to get the full message as required.
9. Being courteous or being polite and respectful of the receiver by communicating in a way that does not hurt the receiver's culture, values and beliefs.
10. Ensuring correctness or accuracy of the message by having the right facts free of errors or false information that may annoy the receiver once discovered.
11. Being considerate when sending the message by first thinking about the receiver's needs, feelings, knowledge and others by including positive words in the message.
12. Ensuring concreteness by making the message specific/definite and to the point and not vague; to enable the receiver understand the sender's intention.
13. Allowing room for feedback by always giving provision or room for response/ feedback from the receiver so as to confirm that the message reached the receiver and has been acted upon.
14. Ensuring persuasiveness of the message by conveying only message that helps to build a positive attitude of the receiver towards the message.
15. Sending simple message that is easy to understand by the receiver so as to enable appropriate response to the message as intended by the sender.
16. Ensuring that the message is sent to the right person so as to ensure effective communication.
17. Repeating the message in case the receiver has not clearly understood the message.

Any 6 including title $\times 1 = 6$ Marks

NB: Points should be specific.

NB: Strategies tenses can be present continuous tense or action verb or use shall in each point

2. (a) (i) Rate of return on equity = $\frac{\text{Net profit}}{\text{Equity capital}} \times 100$ ✓ 1 mark

But: Equity capital = initial capital + Net profit – Drawings

$$= \text{Shs } 1,200,000 + \text{Shs } 200,000 - \text{Shs } 100,000 \quad \checkmark \quad 1 \text{ mark}$$

$$= \text{Shs } 1,400,000 - \text{Shs } 100,000$$

$$= \text{Shs } 1,300,000$$

OR: Equity capital = Total Assets – Total Liabilities

Assets	Shs	Liabilities	Shs
Buildings	870,000	Creditors	220,000
Furniture	300,000	Bank overdraft	80,000
Machinery	350,000	3 year bank loan	200,000
Debtors	200,000	2 year bank loan	500,000
Stock	400,000		
Cash balance	180,000		
Total assets	2,300,000	Total liabilities	1,000,000

$$\text{Equity capital} = \text{Shs } 2,300,000 - \text{Shs } 1,000,000 \\ = \text{Shs } 1,300,000$$

$$\text{Rate of return on equity} = \frac{\text{Shs } 200,000}{\text{Shs } 1,300,000} \times 100 \\ = \underline{\underline{15.38\% \text{ or } 15.4\%}} \quad \checkmark \text{ 1 mark}$$

$$\text{(ii) Option 1: Gearing Ratio} = \frac{\text{Long term debt (liabilities)}}{\text{Total Equity (Owners' Equity)}} \quad \checkmark \text{ 1 mark} \\ = \frac{3 \text{ year bank loan} + 2 \text{ year bank loan}}{\text{Total Equity (Owners' Equity)}} \\ = \frac{\text{Shs } 200,000 + \text{Shs } 500,000}{\text{Shs } 1,300,000} \\ = \frac{\text{Shs } 700,000}{\text{Shs } 1,300,000} \quad \checkmark \text{ 1 mark} \\ = \underline{\underline{0.538:1 \text{ or } 53.846\% \text{ or } \approx 54\%}} \quad \checkmark \text{ 1 mark}$$

$$\text{(ii) Option 2: Gearing Ratio} = \frac{\text{Long term debt (liabilities)}}{\text{Long term debts} + \text{Total Equity (Owners' Equity)}} \quad \checkmark \\ \text{Gearing Ratio} = \frac{3 \text{ year bank loan} + 2 \text{ year bank loan}}{3 \text{ year bank loan} + 2 \text{ year bank loan} + \text{Total Equity (Owners' Equity)}} \\ \text{Gearing Ratio} = \frac{\text{Shs } 200,000 + \text{Shs } 500,000}{\text{Shs } 200,000 + \text{Shs } 500,000 + \text{Shs } 1,300,000} \\ \text{Gearing Ratio} = \frac{\text{Shs } 700,000}{\text{Shs } 2,000,000} \quad \checkmark \text{ 1 mark} \\ = \underline{\underline{0.35:1 \text{ or } 35\%}} \quad \checkmark \text{ 1 mark}$$

$$\text{(ii) Option 3: Gearing Ratio} = \frac{\text{Long term debt (liabilities)}}{\text{Total Assets}} \quad \checkmark \\ \text{Gearing Ratio} = \frac{3 \text{ year bank loan} + 2 \text{ year bank loan}}{\text{Buildings} + \text{Furniture} + \text{Machinery} + \text{Debtors} + \text{Stock} + \text{Cash balance}} \\ \text{Gearing Ratio} = \frac{\text{Shs } 200,000 + \text{Shs } 500,000}{\text{Shs } 870,000 + \text{Shs } 300,000 + \text{Shs } 350,000 + \text{Shs } 200,000 + \text{Shs } 400,000 + \text{Shs } 180,000} \\ \text{Gearing Ratio} = \frac{\text{Shs } 700,000}{\text{Shs } 2,300,000} \quad \checkmark \\ = \underline{\underline{0.304:1 \text{ or } 30.43\%}} \quad \checkmark$$

$$\text{vii) Acid Test Ratio} = \frac{(\text{Current assets} - \text{Closing stock})}{\text{Current Liabilities}} \quad \text{OR} = \frac{(\text{Quick current Assets})}{\text{Current Liabilities}} \quad \checkmark \text{ 1 mark}$$

Details	Shs	Shs
<u>Current assets:</u>		
Stock	400,000	
Debtors	200,000	
Cash	180,000	
Total current assets	780,000	

Less: Closing stock	<u>400,000</u>	
Quick current assets		380,000
<u>Current liabilities:</u>		
Bank overdraft	80,000	
Creditors	<u>220,000</u>	
Total current liabilities		300,000

Acid Test Ratio = $\frac{\text{Shs } 780,000 - \text{Shs } 400,000}{\text{Shs } 300,000}$ ✓ 1 mark

$$= \frac{\text{Shs } 380,000}{\text{Shs } 300,000}$$

$$= \underline{\underline{1.2667:1 \text{ or } \approx 1.267:1}}$$

(iv) Inventory to working capital ratio = $\frac{\text{Stock}}{\text{Working capital}}$ ✓ 1 mark

Where: Working Capital = Current assets – Current Liabilities

$$= \text{Shs } 780,000 - \text{Shs } 300,000$$

$$= \text{Shs } 480,000$$

Inventory to working capital ratio = $\frac{\text{Stock}}{\text{Working capital}}$

$$\text{Inventory to working capital ratio} = \frac{\text{Shs } 400,000}{\text{Shs } 480,000}$$

$$= \underline{\underline{0.83:1}}$$

NB: Inventory to working capital ratio can also be expressed as a percentage.

OR: Inventory to working capital ratio = $\frac{\text{Stock}}{\text{Working capital}}$ (3 marks for formula only once a student stops here; question had unclear information on stock)

(v) Gross profit margin = $\frac{\text{Gross profit}}{\text{Net Sales}} \times 100$ ✓ 1 mark

$$= \frac{\text{Shs } 700,000}{\text{Shs } 1,200,000} \times 100$$

$$= \underline{\underline{58.33\% \text{ Or } 0.583}}$$

(b) (i) Net profit to expenses ratio = $\frac{\text{Net Profit} \times 100}{\text{Expenses}}$ ✓ 1 mark

Where: Expenses = Rent + Advertising + Discount allowed + Salaries and wages

$$= \text{Shs } 100,000 + \text{Shs } 50,000 + \text{Shs } 50,000 + \text{Shs } 300,000$$

$$= \text{Shs } 500,000$$

Net profit to expenses ratio = $\frac{\text{Shs } 200,000 \times 100}{\text{Shs } 500,000}$ ✓ 1 mark

= 40% 1 mark

Interpretation: Net profit to expenses ratio of 40% means that out of every Shs 100 incurred as expenses, net profit can only cover Shs 40 of the expenses. (2 marks)

NB: Give 2 free marks for interpretation of net profit to expenses ratio; this ratio does not exist.

$$(ii) \text{Cash Ratio} = \frac{(\text{Cash} + \text{Cash equivalents})}{\text{Current Liabilities}} \quad \text{OR} = \frac{(\text{Cash} + \text{Bank})}{\text{Current Liabilities}} \quad \checkmark \quad 1 \text{ mark}$$

Where: cash + cash equivalents = Cash balance + Bank

$$= \text{Shs } 180,000 + \text{Shs } 0$$

$$= 180,000$$

Also: Current liabilities = Bank overdraft + creditors

$$= \text{Shs } 80,000 + \text{Shs } 220,000$$

$$= \text{Shs } 300,000$$

$$\text{Cash Ratio} = \frac{\text{Shs } 180,000}{\text{Shs } 300,000} \quad \checkmark \quad 1 \text{ mark}$$

$$= \underline{0.6:1 \text{ or } 0.6 \text{ Times or } 60\%} \quad \checkmark \quad 1 \text{ mark}$$

Interpretation: Cash ratio of 0.6:1 or 0.6 Times; means that the business can only pay 0.6 or 60% of its Shs 1 or Shs 100 of current liabilities using its cash and cash equivalents or absolute liquid assets. Or this means that; the business can only pay Shs 0.6 of every Shs 1 of its current liabilities using its absolute liquid assets.

(2 marks)

3. (a) Strategies for the survival of the business in the competitive market should have:

BUSINESS NAME AND ADDRESS

STRATEGIES FOR THE SURVIVAL OF THE BUSINESS IN THE COMPETITIVE MARKET

1. Advertising the business and its goods or services/ intensively or regularly and more effectively than the rivals so as to attract more customers.
2. Maintaining or keeping a good image or reputation in the minds of the customers as a business that offers better value than the competitors.
3. Charging the customers affordable/ low but profitable prices than the competitors.
4. Improving the quality of the good or services or providing better quality goods and services than the rivals.
5. Using appropriate technology to produce superior juice products that of the rivals.

6. Employing skilled labour to produce quality and competitive juice products.
7. Locating the business strategically like near the customers, near the raw materials, etc.
8. Using appropriate distribution channels for the juice that are more effective than those of the rivals.
9. Using attractive or more beautiful packaging for the products than the competitors.
10. Providing better customer care or services to all the business customers than the rivals like by being polite to them, treating them with respect and so on.
11. Ensuring customer convenience and services than the rivals like by opening business early, staying open longer than the rivals, being in an accessible location and so on.
12. Providing variety of goods and services that are superior to those of the competitors.
13. Providing superior or better after sales services like faster delivery of products, offering repairs services and so on than the rivals.
14. Training workers periodically i.e. weekly, bi-weekly, monthly, etc on how to win competition.
15. Conducting research on market and product development monthly/ annually to enable the business match/ cope customers' changing needs.
16. Extending credit facilities to the customers whose credit status are known or to known customers to maintain them.
17. Offering more attractive discounts on goods and services purchased by the customers than the rivals.
18. Ensuring effective monitoring and evaluation of the sales persons to enable them remain competitive in the market.

Any 4 including title $\times 1 = 4$ Marks.

NB: Points should be specific. Points can also be presented using the word shall, action verbs or present continuous tense as above.

B If candidate uses must, should, may, can; mark but underline these words as wrong tense words

3 (b). Action plan for the proposed business should include the following:

BUSINESS NAME AND ADDRESS ACTION PLAN FOR THE PROPOSED BUSINESS					
TIME FRAME	ACTIVITY	RESOURCES NEEDED	PERSON(S) INCHARGE	INDICATORS OF SUCCESS	REMARKS
Date should start from the date of	Carrying out preliminary market survey to identify the needs of the juice customers.	Market survey guide, funds	Fill in	Completed report on the preliminary market survey	
the exam, and range of	Mobilizing of the required funds of Shs ... million for establishing the new business.	Business plan, business legal documents	Fill in	Possession of Shs ... million.	
Dates/	Selecting of a	Funds, land title		Possession of land	

period needed	suitable location and site for the new business and buying it / renting premises.		Fill in	title or rent agreement.	
	Constructing of the business buildings and other facilities.	Construction resources and documents	Fill in	Completion of the buildings.	
	Opening up of a bank account.	Funds, introduction letter	Fill in	Possession of a bank account	
	Acquiring ofmachinery, tools and equipment.	Funds, catalogues	Fill in	Possession of the fixed assets	
	Installation of the ... machinery and equipment.	Installation inputs	Fill in	Installed machinery and equipment	
	Applying for and installing utilities like water and power.	Installation inputs	Fill in	Possession of water and power	
	Recruitment of staff.	Job recruitment documents and labour	Fill in	Possession of workers	
	Registering of the juice project.	Funds	Fill in	Business registration certificate.	
	Purchasing of fruit juice raw materials like	Funds, quotations	Fill in	Possession of raw materials	
	Conducting production trial.	Production resources	Fill in	Finished products	
	Carrying out publicity of the juice project.	Funds, publicity tools	Fill in	Awareness of the products customers	
	Launching of the juice project officially	Production resources	Fill in	Finished products	
	Starting commercial production of juice.	Production resources, publicity documents	Fill in	Finished..... products	

NB: Business registration can also be the first item.

$$\text{Title} = 1 \text{ Mk} + \text{Any 4 Activities} \times 1 = 4 \text{ Marks} + \text{Any other 4} \times \frac{1}{2} = 2 \text{ Marks}; \text{ Total} = 7 \text{ Marks}$$

3. c) The budget for the projected operating expenses of the business should include:

NAME AND ADDRESS OF THE PROJECT BUDGET FOR PROJECTED OPERATING EXPENSES WORTH SHS		Amount (Shs)
Details		
Projected operating expenses requirements:		Xx
Market research / survey costs/ expenses		Xx
Salaries and wages		Xx
Stationery/ office supplies costs		Xx
Administrative expenses / costs		Xx
Repairs and maintenance expenses		Xx
Depreciation expenses		Xx
Promotion expenses for the new business		Xx
Cost of utilities/ payment of utilities bills		Xx
Transport costs		Xx
Communication expenses		Xx
Selling and distribution expenses		Xx
Financial expenses e.g. interest on loan etc		Xx
Rent expenses/ costs		Xx
Bad debts		xx
Total projected operating expenses/ Grand total		XX

NB: Accept any other operating expenses

Title + any other 6 including total of the budget = 7Marks

Penalty for no currency units in the amounts column is 50% loss of marks.

3. d) A day's supervision schedule to monitor the activities in production should include:

EITHER: (Option 1)

NAME AND ADDRESS OF THE BUSINESS							
DAY'S SUPERVISION SCHEDULE TO MONITOR THE ACTIVITIES IN PRODUCTION							
TIME	WORKER'S NAME	WORKER'S NUMBER	DESCRIPTION OF WORK	SUPERVISOR	STARTING TIME	ENDING TIME	REMARKS
xx	xx	xx	xx	xx	Xx	xx	
xx	xx	xx	xx	xx	Xx	xx	
xx	xx	xx	xx	xx	Xx	xx	
xx	xx	xx	xx	xx	Xx	xx	
xx	xx	xx	xx	xx	Xx	xx	

XX	XX	XX	XX	XX	Xx	XX	
XX	XX	XX	XX	XX	XX	XX	
Prepared by:				Approved by			
Signature.....				Signature.....			
Name.....				Name.....			
Title.....				Title.....			

NB: All the columns must be filled except the remarks column that should be left blank. Also prepared by must be filled.

NB: Mark; time frame only once; i.e. either the first time column or starting and ending time column.

Any 7 including title × 1 = 7 Marks

4. (a) The instructions to be followed by the members to ensure high quality honey:

TITLE I.E NAME AND ADDRESS OF THE BUSINESS

INSTRUCTIONS TO BE FOLLOWED BY THE MEMBERS TO ENSURE HIGH QUALITY HONEY:

1. Only quality honey raw materials shall be purchased and used in honey production.
2. There shall be close supervision and monitoring of all the production activities involving the use of the honey raw materials to ensure quality honey.
3. Regular research shall be carried out in the bee keeping project aimed at improving the quality of the honey.
4. Clear instructions shall be given to all the workers to ensure proper use of the honey processing inputs/ materials so as to ensure quality honey.
5. Proper cleanliness or hygiene shall be maintained in the project so as to ensure high quality honey.
6. High quality and attractive honey packaging materials shall be used to ensure quality honey.
7. Good quality storage facilities shall be used in the project at all times to maintain honey quality.
8. The project workers shall be periodically trained on better methods of producing or maintaining high quality honey products.
9. Superior or better methods of production shall be used in the bee keeping project so as to ensure high quality honey.

10. Quality standards relating to ensuring quality shall be observed by the bee keeping workers.
11. Appropriate distribution channels or delivery means shall be used by the project so as not to compromise on quality of honey.
12. Workers shall observe all the technical specifications relating to quality and quantity of honey products as required by UNBS.
13. Only well trained or skilled and experienced workers shall work in the honey production, marketing and distribution departments.
14. Proper record keeping like on harvest days shall be maintained to ensure quality of the honey.
15. There shall be regular servicing of honey processing machines, tools and equipment.
16. Monthly/ annual research shall be carried out to improve the quality of honey.
17. Specialization and division of labour shall be practiced by the workers so as improve on work and the quality of the honey.

Any 6 including title \times 1 = 6 Marks

(b) Method/ Option 1

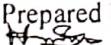
The plan that will be used to manage the wastes generated by the business should include:

1. TITLE I.E.BUSINESS NAME AND ADDRESS.
PLAN THAT WILL BE USED TO MANAGE THE WASTES GENERATED BY THE BUSINESS
2. All business waste shall be identified so as to manage them well.
3. All wastes generated shall be categorized/ sorted for proper handling like sorting solid waste, liquid ones, biodegradable ones etc.
4. Waste shall be collected at strategic locations like in dust bins, waste disposal pits, etc.
5. Proper treatment of wastes like dirty water used to clean honey production items shall be done to reduce polluting the environment.
6. Specific workers shall be appointed/ assigned to collect all the wastes generated in the business.
7. All the workers of the business shall be sensitized periodically e.g. weekly about proper waste management practices.
8. Some solid and liquid waste shall be disposed in dug pits/ injection wells to ensure clean environment.
9. Some wastes like bee wax, fruit peelings shall be sold to other businesses that reuse them.
10. Recyclable waste like plastic containers shall be recycled to make useful bi-products/ new products.
11. The business shall rot/ composite biodegradable wastes like food remains generated by the bee keeping project workers.
12. Waste collectors/ businesses shall be hired to manage the wastes on behalf of the bee keeping project.

13. Some waste that can be reused shall be put into other uses like using empty honey jerry cans for carrying water.

Any 5 including title $\times 1 = 5$ Marks

Method / option 2

BUSINESS NAME AND ADDRESS PLAN THAT WILL BE USED TO MANAGE THE WASTES GENERATED BY THE BUSINESS			
DATE 202...	ACTIVITY	PERSON(S) INCHARGE	REMARKS
XX	Reducing the amount of wastes generated in the bee keeping project by using materials that can be recycled.	Fill in name(s) or titles	
XX	Identifying and separating the wastes generated like honey comb to make them easier and safer to handle.		
XX	Establishing waste collection points/ centres for bee wax, dirty water etc.		
XX	Collecting of the identified wastes like bee wax, fruit peelings, etc.		
XX	Categorizing/ sorting of the bee keeping project waste.		
XX	Composting or rotting food scraps and other organic materials generated in the bee keeping project.		
XX	Reusing materials like used honey packaging materials whenever possible.		
XX	Recycling waste materials like honey/ bee wax, plastic containers etc.		
XX	Treating of the wastes like dirty water generated in the activities of the bee keeping project.		
XX	Repairing some wastes that would have been thrown away as wastes like repairing bee hives.		
XX	Ensuring safe disposal of all the wastes that cannot be reused or recycled like water.		
XX	Selling some of the wastes to other businesses that use them.		
Prepared by:  Amos Ben Production Manager		Approved by: Signature:..... Name:..... Title:.....	Blank
Must be filled			

NB: The dates must be current and future oriented.

Title = 1 mark

Any 2 activities in order $\times 1 =$ 2 marks

Any other 4 $\times \frac{1}{2} =$ 2 Marks

(c) The fixed assets register for the project should have:

1. Business name and address
2. Document name i.e. fixed assets register
3. Document number; which must be filled
4. Business logo
5. Serial number column
6. Purchase date column
7. Details of the fixed assets and manufacturer's serial number column.
8. Quantity column.
9. Cost of the fixed asset column.
10. Mode of acquisition/ purchase column.
11. Additions to the asset column.
12. User department or location of the asset column.
13. Estimated useful life.
14. Depreciation rate per year.
15. Net book value column.
16. Remarks/ comments column.
17. Recorded by: signature, name, and title and date space.
18. Verified or checked or approved by; signature, name, title and date space.
19. Frame of the document.

Any 6 × 1 = 6 Marks

(d) (i) Requirements for the bee keeping project should include:

1. Cash/ funds for purchasing requirements for the bee keeping project.
2. Machinery, tools and equipment used in the bee keeping project.
3. Land for expansion of the bee keeping project.
4. Bees
5. Bee keeping and honey processing information/ knowledge and skills in bee keeping.
6. Transport/ vehicles, motor cycles/ tricycles.
7. Utilities or water and power or energy.
8. Packaging materials for honey and other related products plus other consumables.
9. Tree seedlings, tree seeds/ flower seedlings and seeds/ feeds i.e. sugar, fruits, flowers
10. Feeders
11. Bee brush
12. Protective equipment/ gears i.e. gumboots, hand gloves, overall coat, face mask, etc.
13. Bee hives

14. Furniture for use in the bee keeping project.
15. Labour for the bee keeping project.
16. Buildings
17. Smoker/ dry grass or dry cow dung or fire.
18. Fume boards.
19. Stands for the bee hives.
20. Land/ space for the business.

Any 3 × 1 = 3 Marks

(d) (ii) Strategies that the business will use to verify the suitability of the requirements received from the suppliers.

1. BUSINESS NAME AND ADDRESS

STRATEGIES THAT THE BUSINESS WILL USE TO VERIFY THE SUITABILITY OF THE REQUIREMENTS RECEIVED FROM THE SUPPLIERS

2. Bee keeping supplies to be taken/ accepted shall be those whose costs match the costs stated in the purchase orders/ supplies to be accepted/ taken shall be those whose initial costs do not exceed Shs...
3. Only bee keeping supplies that are of high quality e.g. high quality feeders shall be taken/ accepted.
4. Supplies to be taken/ accepted shall be those of the right quantities e.g. in terms of Kg, etc.
5. Bee keeping supplies to be accepted/ taken shall be those that can be used in the business for a long time or durable like with a life span of years and above.
6. Bee keeping supplies like machines, tools and equipment that perfectly suit the purpose they were ordered for shall be taken/ accepted.
7. Bee keeping supplies that are environmentally friendly shall be verified and accepted for use in the business.
8. Only bee keeping supplies that are accepted by the government shall be taken/ accepted for use in the business.
9. Bee keeping supplies like machinery, tools and equipment that are easy and simple to use by the workers shall be taken / accepted.
10. Bee keeping supplies like machines that are easy to maintain and repair shall be verified and accepted for use in the business.
11. Bee keeping supplies like machines, tools whose spare parts are readily available shall be accepted for use in the business.
12. Only supplies like honey packaging materials from acceptable/ reliable sources/ suppliers like from Mukwano industries shall be selected for use in the business.
13. Supplies like bee keeping machinery, tools and equipment that are to be taken shall be those that produce units or more output of honey or related products
14. Only bee keeping machinery, tools and equipment that can be operated by the available skilled labour shall be verified/ accepted for use in the business.
15. Supplies to be taken e.g. bee keeping machinery, tools and equipment shall be that/ those that use less power not exceeding 200 watts, etc.
16. Supplies for the bee keeping project to be taken shall be those from suppliers who have clear guarantees like in terms of efficiency, easy maintenance and repairs and so on.

17. Supplies to be accepted/ taken shall be those from suppliers who offer favourable terms and conditions of payment such as hire purchase terms, attractive cash and trade discounts.
 18. Supplies like packaging materials to be taken shall be those that suit the transport means to be used to move/ distribute the bees, honey and other related products.

Title = 1 Mark + Any 4 × 1 = 5 Marks

5 (a) Gross rental income = Number of rooms × Annual rent per room ✓

$$\begin{aligned} \text{Gross rental income of Akwero Anne} &= \text{Number of rooms} \times \text{Annual rent per room} \\ &= 2 \times \text{Shs } 117,500,000 \quad \checkmark \\ &= \underline{\text{Shs } 235,000,000} \quad \checkmark \end{aligned}$$

$$\begin{aligned} \text{Gross rental income of Banya Bosco} &= \text{Number of rooms} \times \text{Annual rent per room} \quad \checkmark \\ &= 3 \times \text{Shs } 95,000,000 \quad \checkmark \\ &= \underline{\text{Shs } 285,000,000} \quad \checkmark \end{aligned}$$

$$\begin{aligned} \text{Gross rental income of Sonko Ali} &= \text{Number of rooms} \times \text{Annual rent per room} \quad \checkmark \\ &= 2 \times \text{Shs } 300,000,000 \quad \checkmark \\ &= \underline{\text{Shs } 600,000,000} \quad \checkmark \end{aligned}$$

5 (b) Annual expenses and losses for each taxpayer = 20% (Gross Rental income)

$$\begin{aligned} \text{Akwero Anne's Annual expenses and losses} &= 20\% (\text{Gross Rental income}) \quad \checkmark \\ &= \frac{20}{100} (\text{Shs } 235,000,000) \\ &= \underline{\text{Shs } 47,000,000} \quad \checkmark \end{aligned}$$

$$\begin{aligned} \text{Banya Bosco's Annual expenses and losses} &= 20\% (\text{Gross Rental income}) \quad \checkmark \\ &= \frac{20}{100} (\text{Shs } 285,000,000) \\ &= \underline{\text{Shs } 57,000,000} \quad \checkmark \end{aligned}$$

$$\begin{aligned} \text{Sonko Ali's Annual expenses and losses} &= 20\% (\text{Gross Rental income}) \quad \checkmark \\ &= \frac{20}{100} (\text{Shs } 600,000,000) \\ &= \underline{\text{Shs } 120,000,000} \quad \checkmark \end{aligned}$$

(c) Akwero Anne's Rental Income Tax paid to URA = 20% (Chargeable or taxable rental income)

Where: Chargeable Rental = Gross Rental – Annual expenses and losses – Tax free allowance

Income Income

$$= \text{Shs } 235,000,000 - \text{Shs } 47,000,000 - \text{Shs } 2,820,000 \\ = \text{Shs } 185,180,000$$

Akwero Anne's Rental Income Tax paid to URA = $\frac{20}{100}$ ($\text{Shs } 185,180,000$)
 $= \underline{\text{Shs } 37,036,000} \checkmark$

(c) Akwero Anne's Rental Income Tax paid to URA = 20% (Annual chargeable rental income)

Where: Chargeable Rental = Gross Rental - Annual expenses and losses - Tax threshold

Income	Income
	$= \text{Shs } 235,000,000 - \text{Shs } 47,000,000 - \text{Shs } 2,820,000$
	$= \text{Shs } 185,180,000$

Akwero Anne's Rental Income Tax paid to URA = $\frac{20}{100}$ ($\text{Shs } 185,180,000$)
 $= \underline{\text{Shs } 37,036,000} \checkmark$

(c) Banya Bosco's Rental Income Tax paid to URA = 20% (Annual chargeable rental income)

Where: Chargeable Rental = Gross Rental - Annual expenses and losses - Tax threshold

Income.	Income
	$= \text{Shs } 285,000,000 - \text{Shs } 57,000,000 - \text{Shs } 2,820,000$
	$= \text{Shs } 225,180,000$

Banya Bosco's Rental Income Tax paid to URA = $\frac{20}{100}$ ($\text{Shs } 225,180,000$)
 $= \underline{\text{Shs } 45,036,000} \checkmark$

(c) Sonko Ali's Rental Income Tax paid to URA = 20% (Annual chargeable rental income)

Where: Chargeable Rental = Gross Rental - Annual expenses and losses - Tax threshold

Income	Income
	$= \text{Shs } 600,000,000 - \text{Shs } 120,000,000 - \text{Shs } 2,820,000$
	$= \text{Shs } 477,180,000$

Sonko Ali's Rental Income Tax paid to URA = $\frac{20}{100}$ ($\text{Shs } 477,180,000$)
 $= \underline{\text{Shs } 95,436,000} \checkmark$

(d) Tax paid to URA = Total taxes paid by all the three tax payers

$$= \text{Shs } 37,036,000 + \text{Shs } 45,036,000 + \text{Shs } 95,436,000 \\ = \text{Shs } 177,508,000 \checkmark$$

$$TOTAL = 9 + 7 + 7 + 2 = 25 \text{ Marks}$$

NB: 50% penalty for no units only applies in the final answer; answer without units = $\frac{1}{2}$ a mark

6 (a) The sources for recruiting the sales personnel should include the following:

1. Present employees/ internal recruitment i.e. transfers, promotions and demotions.
2. Employee referrals.
3. Unsolicited job applicants / walk ins into the business looking for jobs.
4. Former employees/ retired employees with good work records.
5. Private employment or recruitment agencies.
6. Training institutions e.g. universities, vocational institutions.
7. Job advertisements or help wanted advertising / mass media job adverts.
8. Labour unions and / or professional associations / trade unions.
9. The internet or surfing.
10. Talent spotting / head hunting.
11. Fellow entrepreneurs.
12. Competing organizations / businesses.
13. Friends and relatives or family members.
14. Government agencies or bodies.

$$\text{Any } 7 \times 1 = 7 \text{ Marks}$$

6. (b) The job specification for the post of sales personnel should include the following:

1. Business name and address
2. Document name i.e. JOB SPECIFICATION FOR THE POST OF SALES PERSONNEL.
3. Job post i.e. sales personnel.
4. Educational qualification,
5. Work experience.
6. Physical qualities or characteristics or requirements,
7. Personal or individual abilities or other competencies/ abilities like: good communication skills, good judgment skill etc.,
8. Age limit,
9. Gender,
10. Marital status,
11. Language,
12. Religion,
13. Residence of the employee e.g. staying within a radius of km from

$$\text{NB; Point statement} = \frac{1}{2} \text{ mark; relevant specification of the point} = \frac{1}{2} \text{ mark}$$

$$\text{Title 1 mark + any } 6 \times 1 = 7 \text{ Marks}$$

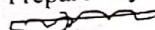
(c) The pay plan for the sales personnel should have:

option 1: The pay plan can be a payroll which should have the following:

Sheet No:0011

BUSINESS NAME AND ADDRESS
PAYROLL
FOR THE MONTH OF NOVEMBER 20....

NO	WORKER'S NAME	TIN NO	BASIC PAY	ALLOWANCES		GROSS PAY	DEDCTIONS		NET PAY
				HOUSING	TRANSPORT		Shs	Shs	
1	Male Job		Shs 100,000	Shs 60,000	Shs 50,000	Shs 130,000	Shs 6,500	Shs	123,500
2	Sarah Joy	001	125,000	60,000	50,000	235,000	11,750		223,250
3	Akuna Sam	002	125,000	60,000	50,000	235,000	11,750		223,250
4	Dan Paul	003	200,000	80,000	80,000	360,000	18,000	15,000	327,000
	Total		550,000	260,000	230,000	960,000	48,000	15,000	897,000

Prepared by


Akola Mary
Accountant

Date: 25/November/ 20...

Approved/ Authorized by:

Signature:.....

Name.....

Title.....

Date.....

NB: Column for signature is also accepted as the last column for the pay roll.

OR; Option 11: The pay plan can be guidelines/ strategic, for determining sales personnel remunerations' pay

which should have the following:

1. TITLE I.E. BUSINESS NAME AND ADDRESS

PAY PLAN FOR THE SALES PERSONNEL

2. Sales personnel payments shall be varied basing on academic qualification like degree holders shall be paid Shs..... per month while diploma holders shall be paid Shs..... per month.
3. Sales personnel employed based on time basis shall be paid based on time rate payment method e.g. per hour, per week, per month, etc.
4. Sales personnel employed based on amount of work done shall be paid based on piece rate payment method or amount of work done i.e. Shs for every Shs..... of sales made or get pay equal to 5% of the sales revenue monthly.
5. Sales personnel with more working experience and seniority of ... years shall earn Shs..... per month or higher pay of Shs....
6. Sales personnel shall be paid based on over time payment method; i.e. Shs..... per extra hour beyond 5.00 pm.
7. Sales personnel shall be paid based on payment in kind method; where each shall be given kg of once monthly.
8. Sales personnel employed on contract basis shall be paid based on contract based payment method where each shall be paid over a contract period of Years. / Sales personnel shall be paid payments that match each person's employment terms e.g. contract, probation, permanent, etc.
9. Sales personnel shall be paid pay based on the current cost of living allowance method.
10. Sales personnel shall be paid based on profit sharing payment method where each shall share equally% of the profits made monthly/annually.
11. Sales personnel shall be paid based on commission based payment method; where each shall be paid Shs..... or....% of sales exceeding Shs..... per month.
12. Sales personnel shall be paid based on the business' set payment / salary scale

- 1. Sales personnel shall be paid slightly higher than those paid by competing businesses e.g. higher pay by ...% above pay offered by competing businesses.
- 2. Sales personnel with good performance records shall be paid slightly higher pay by ...% above the pay of ordinary sales workers.
- 3. Compulsory deductions like PAYE, NSSF shall determine the actual or net pay of each sales personnel.
- 4. Sales personnel shall be paid in respect line with the government policy on employment and payment of the workers.
- 5. Sales personnel whose natures of jobs are risky like those operating in markets that are unsecure shall get extra pay of ...% above the basic pay.
- 6. Both male and female sales personnel doing similar jobs and having same qualifications shall be paid same basic monthly pay of Shs.....
- 7. All sales personnel shall be paid transport, food, and medical allowances etc totaling to Shs..... per month.
- 8. Sales personnel whose jobs require higher skills like use of advanced marketing & computer skills shall earn higher monthly pay of ...% above basic pay.

Any 7 including title $\times 1 = 7$ Marks; TENSE SHALL IS NEEDED

Any 7 including title $\times 1 = 7$ Marks; TENSE SHALL IS NEEDED

(d) Guidelines that will be followed by the business to ensure professional growth of the sales personnel should include:

1. BUSINESS NAME AND ADDRESS
2. GUIDELINES THAT WILL BE FOLLOWED BY THE BUSINESS TO ENSURE PROFESSIONAL GROWTH OF THE SALES PERSONNEL.
 - 1. Sales workers shall be allowed a probation period..... Month to monitor their growth.
 - 2. New sales workers shall be based on merit, seniority, excellence at work to enable them grow professionally.
 - 3. Sales workers shall be trained periodically e.g. weekly, monthly, annually to acquire new skills for their professional growth.
 - 4. Sales workers shall be involved in decision making through weekly meetings and other means.
 - 5. Duties and responsibilities of each sales worker shall be specified/ duties and responsibilities shall be appropriately delegated to each worker for proper flow of activities and also their growth.
 - 6. Objective performance appraisal shall be conducted e.g. monthly for all the sales workers by management and any identified performance gaps shall be improved upon.
 - 7. The training needs of the sales personnel shall be identified and appropriate training shall be done to enable them grow professionally.
 - 8. Performance targets of the business shall be set and the sales workers shall be helped to improve their performances to meet or surpass the set targets.
 - 9. Sales personnel shall be attached to mentors to guide them in their professional growth.
 - 10. Sales personnel shall be encouraged / allowed to network with other good workers to share knowledge, skills and experiences for professional growth.
 - 11. Sales personnel shall be sponsored by the business for further studies / training to professionally grow.
 - 12. Sales workers shall work as a team so as to learn from each other.

14. Sales personnel shall be encouraged to register with professional associations like of marketers, accountants etc for professional growth purpose.
15. Sales personnel shall make periodic reports on their activities/ duties and events so as to develop better writing, presentation and communication skills.
16. Best performing sales workers shall be recognized and rewarded e.g. best employee for the month, year, smartest employee, etc so as to encourage them improve performances.

Any 6 including title \times 1 = 6 Marks; TENSE SHALL IS NEEDED

Total = 7 + 5 + 7 + 6 = 25 Marks

= END =