

845/1  
Entrepreneurship  
Education  
Paper 1  
2024  
2½ hours



**WAKISO – KAMPALA TEACHERS' ASSOCIATION (WAKATA)**  
**WAKATA PRE-MOCK EXAMINATIONS 2024**  
**Uganda Certificate of Education**  
**ENTREPRENEURSHIP**

**Paper 1**

2 hours 30 minutes

**INSTRUCTIONS TO CANDIDATES**

*This paper consists of sections **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 answers **must** be written in the answer booklet(s) provided.*

## **SECTION A**

*Answer **all** items in this section.*

### **Item 1:**

Tasha has been passionate about eco-friendly products and wants to start her own business. She has saved up UGX 3,500,000 and is ready to invest in her venture. However, she is unsure about the type of eco-friendly business to start and how to go about it.

#### **Task:**

Using your entrepreneurial skills, advise Tasha on the following:

- (a) Select a viable type of eco-friendly business considering her interests and market demand.
- (b) Create a budget for the selected business, outlining the expenses for equipment, materials, marketing, and other necessary costs.
- (c) Guide Tasha through the process of registering her eco-friendly business, including the legal requirements and necessary documentation.

### **Item 2:**

Kwame runs a small organic farm, but he's facing challenges with his supply chain and product quality. He's considering expanding his operations but isn't sure how to address these issues.

#### **Task:**

- (a) Identify the qualities demonstrated by Kwame as an Entrepreneur.
- (b) Provide Kwame with strategies to solve the challenges he's facing in his organic farming business, focusing on improving supply chain management, enhancing product quality, and scaling up operations efficiently.

### Item 3:

Nadia owns a local cafe in a busy neighborhood, but she's struggling to manage her staff and address customer complaints about slow service and inconsistent quality. She's also facing pressure from the local authorities regarding tax compliance.

#### Task:

- (a) Analyze the likely effects of Nadia's management approach and business practices on her cafe's reputation and profitability.
- (b) Offer Nadia practical solutions to address the challenges she's facing, including improving staff training, streamlining operations, ensuring tax compliance, and implementing quality control measures.

### Item 4:

In the town of Wakiso, where commerce flourishes amidst the daily hustle and bustle, the year drew to a close for Magulu Traders. As the sun set on December 31st, 2020, the diligent accountants meticulously extracted the balances from their well-kept ledgers, capturing the essence of a year filled with transactions, profits, and challenges in the vibrant market scene.

31 <sup>st</sup> /Dec, 2020	Shs.
Opening stock	6,700,000
Land	19,000,000
Sales	29,700,000
Premises	2,500,000
Purchases	12,400,000
Electricity	2,700,000
Insurance	4,000,000
Discount Received	2,600,000
Salaries and Wages	5,000,000
Discount Allowed	1,300,000
Motor Van	4,800,000
Advertising	1,000,000
Drawings	2,500,000
Debtors	7,000,000
Creditors	6,300,000

Bank Overdraft	3,800,000
Plants and Machinery	8,100,000
Bank	6,000,000
Cash	4,000,000
Capital	44,600,000
Closing stock	3,000,000

**Task:**

- (a) Assemble Magulu Traders' Trail Balance as of December 31st, 2020.
- (b) Help Magulu Traders prepare a Trading, Profit and Loss Account summarizing the business's financial performance for the year ending December 31st, 2020.

**Item 5:**

In June 2023, James, the owner of a local bakery, faced an unexpected situation when his accountant fell ill and couldn't complete the financial statements for the year ending December 31st, 2022. The accountant left behind a list of ledger balances outlining various financial aspects of the bakery's operations:

	<b>Shs.</b>
Premises	12,000,000
Fixtures and Fittings	8,700,000
Opening stock	2,000,000
Loan 1 year	1,500,000
Debenture	3,100,000
Debtors	7,000,000
Drawings	3,000,000
Bank	5,900,000
Purchases	9,500,000
Net sales	38,800,000
Closing stock	4,200,000
Creditors	2,000,000
Total Expenses	4,600,000
Capital	8,300,000

**Task:**

Prepare the relevant financial statements for James to:

- (a) Verify the arithmetic accuracy of the ledger balances.
- (b) Calculate the profit or loss for the bakery based on the provided data.