

845/1
Entrepreneurship
Education
Paper 1
July/August 2024
2 ½ hours

KIZZA KENNETH :048



WAKISSHA JOINT MOCK EXAMINATIONS

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 answered will not be scored.

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

SECTION A

Answer all items in this section.

Item 1

Sheeba is planning to open up a supermarket in her name in Masaka city. She has been advised that for it to operate effectively, all legal formalities have to be strictly followed and she is scared of such a requirement due to limited awareness.

She also needs guidance on the plan that will help her to remain focused during business operation.

Task

- (a) Use your entrepreneurship skills to solve the challenge Sheeba is facing in the scenario.
- (b) Guide Sheeba design the tool that will make her remain focused in business operation.

Item 2

Meet Alicia, a dairy farmer who has decided to diversify her business by starting a milk processing plant. She has also started producing high quality cheese, butter and ghee using milk as a raw material. Alicia's farm currently produces 500 litres of milk per week and she plans to use milk as the raw material. She owns an old vehicle which she plans to replace and buy a new one, but does not know how to get a better one.

She uses only a sign post near her farm which has not given enough information to her customers about the existence of the farm.

Task

- (a) How has Alicia benefited from starting a milk processing plant and producing other related milk products mentioned in the scenario?
- (b) How can Alicia solve the challenges in the scenario.

ITEM 3

Meet Tracy, the owner of chain link restaurant with three branches in Mbarara town. Despite its good locations and extensive menu, the restaurant has tried to capture a market share but in vain.

The restaurant faces several risks such as high competition, theft of cash by employees, expiry of food etc.

The restaurant also exploits staff by demanding long working hours, has unhygienic practices, make false claims about menu items, has unpaid taxes, files inaccurate Returns and tax records among others.

This has resulted into low customer loyalty and big financial struggle.

Task

- (a) Advise Tracy on the implication of tax compliance issues.
- (b) Help Tracy to solve the:-
 - (i) Un ethical behaviours in her restaurant.
 - (ii) Risks in business.

SECTION B

Answer **one** item from this section.

Item 4

Kisakye is a poultry farmer in Semuto village. She recently attended a workshop and was sensitized about book keeping. However, it seems she didn't get enough knowledge because when she prepared her statement that shows a list of debit and credit balances for the year 2023, it failed to balance. It appears as below.

**KISAKYE POULTRY FARM TRIAL BALANCE
AS AT 31ST DECEMBER 2023**

| Details | Debit (shs) | Credit (shs) |
|-----------------------|-------------|--------------|
| Debtors | | 2,000,000 |
| Creditors | 6,500,000 | |
| Land | | 5,000,000 |
| Machinery | | 4,000,000 |
| Fixtures and fittings | | 3,000,000 |
| Equipment | | 1,500,000 |
| Purchases | | 2,500,000 |
| Return from customers | | 5,000,000 |
| Return to suppliers | 600,000 | |
| Discount allowed | 2,000,000 | |
| Discount received | 1,000,000 | |
| Stock at start | 1,500,000 | |
| Cash at hand | 600,000 | |
| Cash at bank | 3,400,000 | |
| Rent income | 400,000 | |
| Sales | 9,000,000 | |
| General expenses | | 3,000,000 |
| Capital | | 16,000,000 |
| Closing stock. | 3,000,000 | |

Task

- As a student of financial management she has approached you to assist her to identify the error that made that statement not to balance and correct it.
- Prepare a comprehensive statement of account.

Turn Over

Item 5

Nalongo owns a busy restaurant in Kikoni near Makerere University. Her restaurant is called Nalongo Fast Foods. She lacks good book keeping skills and she just records any transactions she incurs without following the right accounting principles. Last year, 2023, by December 31st she had made the following recordings.

| Item | Amount (Shs.) |
|--|---------------|
| Stock 01. 01. 2023 of food item | 1,250,000 |
| Unsold food items at 31 st /12/2023 | 1,500,000 |
| Purchases of Matooke | 700,000 |
| Food returned by customer | 750,000 |
| Spoilt Matooke returned to supplier | 45,000 |
| Total sales made | 13,000,000 |
| Transport allowance offered to customer | 95,000 |
| Premises | 6,000,000 |
| Tools and equipment | 3,500,000 |
| Creditors | 1,075,000 |
| Debtors | - 1,500,000 |
| Drawings | 150,000 |
| Table | 625,000 |
| Salaries and wages | 875,000 |
| Discount allowance | 187,500 |
| Commission received | 112,500 |
| Electricity bill | 140,000 |
| Cash at hand | 60,000 |
| Bank overdraft | 465,000 |
| Airtime expenses | 180,000 |
| Interest received | 582,500 |
| Capital | 7,875,000 |
| Interest on loan | 7,142,500 |

Task

- Check the arithmetic accuracy for the above statement.
- Help Nalongo Fast foods to determine the gross profit and net profit made at the end of the trading period.

END