

P230/2

**ENTREPRENEURSHIP
EDUCATION**

2024

3 HOURS



JOURNEY OF SUCCESS EXAMINATIONS BOARD.

UGANDA ADVANCED CERTIFICATE OF EDUCATION

ENTREPRENEURSHIP EDUCATION

PAPER 2

3 hours

Instructions to the Candidates:

- ✓ *Answer four questions.*
- ✓ *All questions carry equal marks.*
- ✓ *Use of relevant illustrations will lead to award of extra marks.*

1. You have been hired as a Human Resource Manager to improve the performance of the organization.
 - a) Prepare a newspaper advert for the post of Assistant Human Resource Manager. **(6 marks)**
 - b) Draw a program for recruiting other employees of the organization. **(7 marks)**
 - c) Draft motivation policy guidelines for the organization **(6 marks)**
 - d) Prepare procedures for disciplining employees. **(6 marks)**
2. Your community Youth group has purchased a Rice Huller Machine that threshes and packs rice.
 - a) Prepare regulations for the maintenance of this machine **(7 marks)**
 - b) Design a label to be placed on packaging bags for rice **(5 marks)**
 - c) Draft policy guidelines to be followed when buying rice from farmers **(6 marks)**
 - d) What are the benefits of your business to the community? **(7 marks)**
3. You are involved in the production and packaging of animal and poultry feeds in your town.
 - a) Prepare a marketing loan for your business **(5 marks)**
 - b) Develop guidelines for handling difficult customers in your business **(6 marks)**
 - c) Design a market survey questionnaire to obtain information about your potential customers. **(7 marks)**
 - d) Prepare a quotation for a customer who has sent an inquiry about your products. **(7 marks)**
4. You have established a tree – planting project in your home village.
 - a) Write an invitation letter to your District Forestry Officer to come and launch the project. **(6 marks)**
 - b) Draft a speech you would read at the launch, giving benefits of the project to the community. **(7 marks)**

c) Explain the strategies you have put in place for the sustainability of the project (6 marks)

d) Develop policy guidelines for promoting gender partnership in the project. (6 marks)

5. The following Income Statement relates to the business of JOS Traders for the period ended 31st December 2017.

JOS TRADERS' INCOME STATEMENT
FOR THE YEAR ENDED 31st DECEMBER 2017

DETAILS	AMOUNT(SHS)	AMOUNT(SHS)	AMOUNT(SHS)
Sales			65,310,000
<u>Less cost of sales</u>			
Opening stock(01/01/17)	48,900,000	3,120,000	
Purchases	3,993,000	52,893,000	
Add wages		56,013,000	
Cost of goods available for sale		3,276,000	52,737,000
Less closing stock			12,573,000
Cost of sales/ cost of goods sold		1,260,000	
Gross profit		1,800,000	
Add other incomes		630,000	3,690,000
Commission			16,263,000
Rent income			
Discount income		2,652,000	
Gross income		534,000	
Less operating expenses		1,080,000	
Salaries		366,000	
Electricity and telephone			4,632,000
Rates			11,631,000
Discount allowed			
Total operating expenses			
Net profit			

Additional information:

- i. Debtors at 31/12/2017 Shs 3,265,500
- ii. Creditors as at 31/12/2017 Shs 3,912,000
- iii. Take a financial year to be 365 days

Required:

Using the information provided above,

(a) Compute each of the following ratios:

- i. Gross profit margin (4 marks)
- ii. Gross profit mark-up (4 marks)
- iii. Stock turnover (4 marks)

(b) Interpret each of the following ratios:

- i. Net profit to sales ratio (5 marks)
- ii. Debtors to sales ratio (4 marks)
- iii. Creditors to purchases ratio (4 marks)

6. The following projections relate to HOPE WHOLESALE SHOP for the months of January, February, March and April 2019.

- i. Cash purchases of raw materials per month expected to be Shs 4,000,000 but this is expected to increase by 20% starting in the month of March. Raw materials for April were to be paid for in March.
- ii. Monthly projected cash sales to be Shs 8,000,000 and this is expected to increase by 10% monthly credit sales for each month amounted to Shs 6,000,000. Debtors will be expected to pay 60% in the month of sale and the balance in the following month.
- iii. Payment of pre-operating expenses in the first month was projected at Shs 7,160,000. Startup assets worth Shs 50,000,000 are to be purchased in January, 80% payments will be made in January and the balance in the following month.
- iv. The business planned to start operations on 1st January 2019 with cash of Shs 60,000,000.
- v. The business planned to donate chicken worth Shs 1,000,000 per month to the community.
- vi. A 4 months Bank loan of Shs 8,000,000 is to be obtained in February at a monthly interest rate of 2% on reducing balance. The loan principal installments and interest to be paid starting in the month of loan acquisition.

- vii. A 100kgs of sugar worth Shs 500,000 to be taken monthly for personal use.
- viii. Machine worth Shs 37,310,400 to be purchased in January under the following agreements. Shs 28,744,000 to be paid in the last week of February and the balance in the last month. The machine is to depreciate at a rate of 10% p.a.
- ix. The business's bus for hire brings in Shs 3,000,000 per month.
- x. Monthly salaries for workers are projected at 240,000 for each of the 10 workers in the first month. The number of workers is expected to rise by 2 in each of the subsequent months.

Required:

- a) Prepare the cash flow statement of the wholesale shop for a period of 4 months starting with January 2019. (20 mks)
- b) Comment on the net cash position of the business for four months.
(5marks)

END