

TOPIC 1. INTRODUCTION ENTREPRENEURSHIP. OTHER SUBTOPICS OF TOPIC (CAREER OPPORTUNITIES, RISK MANAGEMENT BUSINESS ETHICS, CHANGE, CREATIVITY, INNOVATION, COMMUNICATION, PERSONAL BRANDING, ENTREPRENEURIAL MOTIVATION, NEGOTIATION).

1. What is the economic contribution of entrepreneurship to the development of a country. **(uneb 2018)**

b) Explain the factors that favour the development of entrepreneurship in the country

c) Justify the need for promoting entrepreneurial skills in Uganda. **(Uneb 2022)**

d) Explain the challenges faced by the government of Uganda while promoting entrepreneurial skills. **(2022)**

2. Explain the factors that influence choice career

b) Account for the variation of wages among business employees.

3. Describe the characteristics of entrepreneurs

b) What are the factors limiting entrepreneurial development in Uganda.

c) Suggest the measures that can be taken to promote entrepreneurial development in the country.

d) Explain the managerial skills practiced by business entrepreneurs in Uganda. **(Uneb 2015)**

4.a) Give reasons why people prefer self-employment over paid employment

b) Suggest measures that can be taken to promote self-employment in Uganda.

5a) Explain the factors that influence risk assessment

b) What measures are being taken by the business entrepreneurs to minimize business risks?

6. What is meant by the term business ethics **(uneb 2019)**

b) Explain the principles of business ethics

c) Give the ways through which the business should be ethical towards different stakeholders in the business.

7. Why is it necessary to maintain good business ethics **(Uneb 2019)**

b) What are indicators of unethical business practices.

c) What are costs of being unethical in the business.

8. Explain the types of change

- b) What are the benefits of fostering change at any place of work?
- 9.a) Give reasons why people resist change
 - b) Suggest measures to promote change at any place of work
- 10a) Explain the factors that bring about change at any place of work
 - b) What are indicators of resistance of change at any place of work?
- 11. Assess the implications of change at any work place.
 - b) Advise the business entrepreneurs on the ways that can be taken to foster change.
- 12a) Distinguish between creativity and innovation.
 - b) What are characteristics of creative individuals?
 - c) Describe the stages of creativity.
- 13a) what are the obstacles to creativity
 - b) Suggest measures to promote creativity
- C) State the characteristics associated with non-creative individuals.
- 14. Define the term effective communication

Explain the forms of communication practiced by business entrepreneurs

 - c) What is the importance of effective communication at any place of work?
- (UNEB 2020)**
- 15a) what are features/essentials associated with effective communication
 - b) What are the barriers to effective communication **(UNEB 2020)**
 - c) Suggest the measures to overcome communication barriers/Measures to promote effective communication.
- 16.a. Explain the factors considered when selecting communication media
 - b) Explain different channels of communication channels
- 17. Describe the communication process.
 - b) Explain different forms of written communication
 - c)Under what circumstance may communication be ineffective.
- 18.a.Define the term innovation
 - b) Explain the types of innovation practiced by business entrepreneurs
 - C)What are benefits of innovation
- 19.Explain different innovations currently practiced by business entrepreneurs in Uganda.

b) Suggest measures to promote innovation in the country

18) Explain the sources of innovation you know.

b) Give reasons why small businesses are more innovative compared to large businesses.

19.a. What is meant by the term negotiation?

b) Explain the principles of negotiation

c) Explain the steps followed when conducting negotiation.

20a. Explain the challenges faced when conducting negotiation (**UNEB 2015**)

b) What are the measures that can be taken to promote effective negotiation?

21.a. Explain the attributes of good negotiators

b) What are negotiation skills practiced by business entrepreneurs when negotiating with business customers

22 Explain the negotiation tactics being practiced by the business entrepreneurs when negotiating with business customers

b) What techniques that can be used by the business employers when negotiating with business employees about their salaries.

23. What is meant by the term personal branding?

b) Explain the principles followed when developing a lucrative personal brand.

c) What are procedures followed when developing a lucrative personal branding

d) Why may an entrepreneur maintain a good personal brand.

24. Explain the factors that enhance the establishment of family businesses.

b) Why is necessary to establish family businesses.

c) What are the factors limiting growth and sustainability of family businesses.

d) Suggest the measures that can be taken to promote the growth and development of family businesses

a) 81. Distinguish between motivation and entrepreneurial motivation

b) Describe the motivational process

25 Discuss the classical concept of entrepreneurial motivational

b) Explain the behavioral characteristics associated with strong need for achievement

26. What are the factors limiting entrepreneurial motivation

b) What strategies can be undertaken to promote and foster entrepreneurial motivation

TOPIC 2. SMALL AND MEDIUM ENTERPRISES IN UGANDA.

27a. What is contribution of small and medium enterprises

b) Account for the popularity of small and Medium **enterprises (Uneb 2019,2018)**

28 Account for the factors limiting growth and development of small and medium enterprises **(Uneb 2018)**

b) Suggest measures to promote development and growth of small and medium enterprises.

29.a. Explain the principles used by insurance companies in Uganda.

b) Explain different types of insurance policies in Uganda.

c) Explain the steps followed when acquiring insurance contract/ policy (2020 uneb)

30. What is the role of insurance companies to any economic development in the country?

b) Explain the procedures followed for claiming compensation from the insurance company.

c) Under what circumstance may the insurer not honor the claim for compensation.

31. Explain the factors considered when determining premium

b) what are the challenges facing insurance companies in Uganda?

c) Suggest measures to promote the performance of insurance companies in the country.

d) Under what circumstance may the insurance policy be terminated. **(Uneb 2015)**

32. Explain the factors that influence the establishment of family businesses

b) **Why is it necessary to establish family business?**

c) Give reasons why small businesses are more popular than large businesses.

c) What are the challenges facing family businesses in Uganda.

d) Advise the family members on the measures to overcome challenges facing family businesses.

TOPIC 3 BUSINESS IDEAS AND OPPORTUNITY IDENTIFICATION.

32.a. Explain the sources of generating business ideas (Uneb, 2019/2020)

b) Why is it necessary to generate business ideas?

c) Explain the factors considered when evaluating a business idea.

33a. Explain the steps followed to materialized a business idea

b what are the steps involved in researching business idea

33a.Explain the characteristics a good business opportunity (uneb 2017,uneb 2015,2014)

b) Explain the steps followed in determining the profitability of a business.

c) Explain the factors determining profit levels of a business.

34a.Distinguish between formal businesses and inform businesses

b) Give reasons why most of the people prefer informal businesses over formal businesses

c) Explain the steps followed in turning a business idea into business opportunity or product.(wakata mock 2023)

35, Define the term feasibility study

b) Explain the components of feasibility study

c) Why is it necessary to conduct feasibility study?

35. Explain the factors that determine the suitability of a business opportunity

b) Explain the indicators of business opportunity..

TOPIC4.; ENTREPRENERUIAL ENVIORNMENT

a) 36.What is meant by the term entrepreneurship environment? (UNEB 2015)

b) Describe the characteristics of entrepreneurial environment.(uneb 2016)

37a) Explain the economic factors that affect entrepreneurial growth and development.(uneb 2017)

b) Advise the government on the economic factors that can be taken to promote entrepreneurial growth and development.

38.a) Explain the factors that limit entrepreneurial growth and development.

c) What can the government do to promote economic environment that may lead to entrepreneurial growth and development.

39. Explain the social-cultural factors that influence entrepreneurial growth and development.

b) Explain the social cultural -factors that limit entrepreneurship growth and development.(BECO 2022)

c) Explain the social cultural factors that promote the entrepreneurship growth and development.

40.a.Explain the political factors that influence the entrepreneurial growth and development.

c)Explain the political factors that promote entrepreneurial growth and development.

41.a)d)What is the role of supporting services in developing and promoting of entrepreneurial environment and activities.

b)Explain different supporting services that support entrepreneurial activities in Uganda.

42a)Define the term globalization (**uneb 2018**)

b).Explain the global factors that promote entrepreneurial growth and development.

c) Explain the global factors that influence the growth and development of entrepreneurial activities in Uganda.(**uneb 2016,2018**)

43a) Explain the demographic factors that determine entrepreneurial growth and development.(**uneb 2015**)

b) Explain the demographic factors that promote entrepreneurial growth and development.

TOPIC 5;PRODUCTION MANAGEMENT SKILLS.

44.a)Distinguish between production and production management

b)How can business entrepreneurs make their products unique?

45a) Explain the factors considered when designing a product.

b) Describe the production process.

c) Explain the factors affecting production decisions (.**uneb 2019,2018.**

46.a)Describe the purchasing procedures. (**uneb 2018**)

b)Explain the factors considered by business entrepreneurs when selecting business suppliers.

47.a)Explain any four examples of business inventories

b)Explain the factors considered when selecting business suppliers for raw materials.

c)Explain the factors that may lead to increased stock levels in a business.

48.a)Why is it necessary to ensure proper management of business inventory(**COHEA MOCKS 2023**)

- b) What are the dangers of poor inventory management.
- c) Explain the tools used when managing and controlling business inventory
- 49.a) Explain the tools of stores management
- b) Explain the factors that affect stock levels.
- 50.a) Define the term technology as it is used in business.
- b) Explain the factors that influence the choice of technology. **(uneb 2014)**
- c) Explain the characteristics associated with appropriate technology.
- 51. Define the term plant layout
- b) What are the benefits of designing a proper plant layout. **(Uneb 2020)**
- 52.a) Explain the factors that influence business location.
- b) How can business entrepreneurs ensure quality production
- c) Explain the customers misconception about quality.
- 53 a). Explain the factors considered when selecting machinery and equipment
- b) Advise the business entrepreneurs on the ways of handling machinery and equipment.
- 54.a) Explain the methods of costing in production. **(UNEB 2018, wakata mock 2023)**
- b) Give the ways through which business entrepreneurs can reduce on the cost of production in process of carrying out production.
- 55a). Define the term time management
- .b) Explain the techniques used by business entrepreneurs to ensure proper time management
- 56) What are the costs of poor time management
- b) how do entrepreneurs waste time in day to day business activities.
- c) What are benefits of good time management.
- 57a) Explain the factors considered when selecting packaging
- b) Why is necessary by entrepreneurs to practice packaging.
- 58.a) Describe the production life cycle. **(uneb 2019)**
- b) Explain the measures that can be taken by entrepreneur's to ensure proper management and control of hazardous substances.

TOPIC 6.MARKETING MANAGEMENT

59a) What are the differences between marketing and selling

b) What are the techniques used by business entrepreneurs when marketing business products. (**WAKATA MOCK 2023**)

60a. Explain the elements of marketing mix.

b) Explain the factors that determine target market (**uneb 2013**)

61a) Why is it necessary to carry out market research/Survey. (**uneb 2015**)

b) Explain the tools or methods used when conducting market research.

c)What are the steps followed when conducting market research.

d)What are the challenges faced by business entrepreneurs when conducting market research.

62.What is meant by the term market strategy.

b) Explain the tools for conducting effective market strategy. (**uneb 2018-paper 3**)

63. What is meant by the term potential market?

b) Describe the characteristics associated with potential market.

64.Explain the basis for market segmentation

b) What are the merits of segmenting market by the business entrepreneurs (**uneb 2016**)

c)Under what circumstance may an entrepreneur segment market(**wakisha 2023**)

65.Give ways through which business entrepreneurs can improve on the customer care and relations (**uneb 2014, 2017 paper/3**)

b) What are the indicators of a satisfied customer (**uneb 2020**)

c)Under what circumstances may customer become dissatisfied

66a) Explain the methods used by the business entrepreneurs when pricing business products. (**uneb 2017 paper 3**)

b) Explain the factors considered when pricing business products

67.Distinguish between advertising and sales promotion

b) Explain the tools of sales promotion (**uneb 2018 paper 1,uneb 2016/3,uneb 2013 paper 3**)

c)What are the benefits for conducting sales promotion in a business enterprise.

68.Explain forms advertising media

b) Explain the components considered when designing an advertising message.

c) Explain the factors considered when selecting an advertising media.

69.Explain the reasons for advertising business products

b) What are the factors limiting effective advertising in Uganda.

c)Explain the ways through business entrepreneurs can maintain the market share.**(uneb 2015 paper 3)**

70.Explain the types of distribution channels

b) Explain the factors considered when selecting a distribution channel. **(uneb 2020, 2015 paper 1,3)**

71.What is meant by the term creative selling

b) Explain the stages of creative selling

c)What are the merits to conduct personal selling **(uneb 2019 paper 1)**

72.Distinguish between cash transactions and credit transactions

b) Advise business entrepreneurs on the ways through which business cash is managed.

c)What are the benefits of selling goods on the cash basis.

73.Under what circumstance may goods be sold on credit

b) What are the merits and challenges of selling goods on credit?

c) Suggest the ways through credit transactions should be handled and managed. **(uneb 2019 paper 1,uneb 2016 paper 1 ,uneb 2014 paper 3)**

TOPIC 7 . SOCIAL ENTREPRENEURSHIP.

74. Distinguish between social enterprise planning and social innovation

b. What are the objectives of establishing a social enterprise

75. What is a social enterprise?

b) What is the role of social enterprises in Uganda?

N.B. Roles/contributions/responsibilities

76) What is a social enterprise?

b) What is the role of social enterprises in Uganda?

N.B. Roles/contributions/responsibilities.

77.Explain the types of social enterprises.

b)What are the differences between a social enterprise and a business enterprise.

78.)What are the common threats to the environment caused by business activities

b)Suggest the measures to overcome the negative effects of the business activities.

79Define the term mentoring

- a) What is the contribution of mentoring
- b) What are the steps followed to become a social entrepreneur
- c) Define the term sustainability

80a. Explain the types of sustainability

Explain the strategies to that can be under taken to ensure sustainability of a social enterprise

- d) Explain the ways of saving the natural resource

TOPIC 8.GENDER AND ENTREPRENEURSHIP

84.Define the following terms as they are used in **gender and entrepreneurship**

- Sex
- Culture
- Society
- Division of labour
- Labour market
- Access
- Empowerment
- Gender stereo typing

- Conscientisation
- Patriarchy resistance
- Gender identity
- Gender roles.

b) Suggest measures to promote gender equality

c) Account for the large number of female entrepreneurs in Uganda.

85 Explain the factors that affect women entrepreneurial activities in Uganda

c) What are the barriers to women participation in entrepreneurial activities?

d) Advise the government on the measures that can be under taken to promote women participation in entrepreneurial activities and science occupations

86.Explain the factors that promote gender partnership in the in the society(**COUHEA MOCKS 2023**)

b)Why is there a need to promote gender partnership.

TOPIC 9 BUSINESS PLANNING

a) 86.Define the term business planning

b) Describe the structure of a business plan(**KASEC MOCK 2023**)

c) What are the steps followed when drafting a business plan(**KASEC 2023 MOCK**)

87. Explain the components of a marketing plan

a) Why is it necessary to prepare a production plan

c)What is the importance of preparing a business plan (**AITEL MOCKS 2023**)

88 Describe the components of a financial plan

a) What are the challenges faced when preparing a business plan

– What is the rational of preparing a business plan

b) Explain the monitoring tool used to monitor business performance

TOPIC 10.HUMAN RESOURCE MANAGEMENT

a) 89.Explain the elements of human resource management

b) What is the role of an entrepreneur as a personnel manager

– Explain the factors considered when recruiting a business employee

– 88.a)Account of the variation of wages in Uganda

a) Explain the personal requirements needed before recruitment

89a)What are the methods used when recruiting business employees

b)Explain the factors considered when determining payments for business employees

90)a.Why may an entrepreneur prepare an organization chart

a) What are the steps followed when conducting employee training

b) Under what circumstance may an entrepreneur carry out employee training

91a.Explain the methods used when conducting employee training

b) Why is it necessary to conduct employee training

c) Under circumstance may labour turnover be desirable.

c) Why may small and medium enterprise reluctant to conduct employee training

92a) Give reason to carry out performance appraisal

a) What are the challenges of associating with carrying out performance appraisal

93a) Explain the methods used carryout performance appraisal

b) What are the elements for an elective performance appraisal system

94a) Why may an entrepreneur motivate business employees

What are the factors that may lead to increase in employee labour turn over

95a)Suggest measures to minimize labour turn over

b)What are the costs associated with labour turn over

c)Under what circumstances may an employee be terminated from work

96 a)What are the indicators of indiscipline at any place of work

b)How can indiscipline be managed among business employees at different places of work

c)Explain the motivation methods used by business entrepreneurs to attract more customers.(uneb 2022)

97.Explain the different tasks of Human Resource Manager of an organization.

b)How can a human resource manager reduce labour turnover in an enterprise.(WAKATA MOCK 2023)

TOPIC 11.BUSINESS COMPETITION

97a)What are the ways through which business enterprises manage business competition

b) Explain the factors considered when analyzing business competition

c)What are the indicators of increased business competition.

98a) What are the indicators of a decrease competition in any business environment

b) What strategies can be taken to maintain a competitive advantage among business enterprise?

99a) what are implications of business competition

b) Explain the factors considered when evaluating business competition.

c) What strategies taken by the business entrepreneurs to survive business failure.

Describe the types of competition in business

b)What are the costs of stiff competition to an enteprised

12. TAXATION

100a) Give reasons for high tax evasion in Uganda

b) Suggest measures to minimize tax evasion

101a) what are the objectives of charging taxes in Uganda

b) What are the costs associated with taxation

102a) Explain the elements of taxation

b) Give reasons why indirect taxes are popular compared to direct taxes

c)Suggest measures to improve revenue collection

102a) Explain different sources of non-tax government revenue

b) What are the challenges facing tax authority in your country

103a) Explain the factors determining tax compliance

b) How can tax compliance be promoted in your country?

c) Explain different types of direct and indirect taxes

d)What are the effects of indirect taxes in Uganda

e)What are the obligations and rights of a tax payer.

ii)Explain the elements of tax compliance.

104CAPITAL MARKETS.

104.Explain the major players of capital markets in Uganda.

b)What is the rationale for operating capital markets.

105.a)Explain the financial products offered by capital markets.

b)What are the factors limiting effective operation of capital markets.

c)What strategies can be taken to ensure effective operation and performance of capital markets.

106.a)What is the contribution of stock exchange market to the economic development of a country.

- b)What are the challenges associated with stock exchange market.
- c)What is meant by investment collective schemes?
- 106) Explain the types of collective investment schemes.
- b) What are the merits and demerits associated with collective investment schemes.
- 107)a. Describe the process of buying and selling shares.
- b)What are the merits and demerits associated with holding shares.
Explain any three types of investors.
- c)Explain the main contents of a prospectus.
- 108a) Distinguish between debt financing and equity financing.
- b) What are the advantages of equity financing over debt financing.
- c) Explain the sources of business long-term finance.
- 109.State any three documents used in the process of trading shares.
- b)Explain the principles of corporate governance.
- c)What are the benefits associated with corporate governance.

PAPER 1 GUIDING QUESTIONS AND QUALIFIERS

1. Reasons/rationale/purpose/functions/aims/objectives/need for/why...../justify the need for/account for the need

- Begin with To/In order to/ Need for/ "ing"

Questions:

- i. Explain the rationale for preparing a business plan.
- ii. Why is there need for ensuring good time management in business
- iii. Justify the need for carrying out a feasibility study
- iv. Explain the purpose of developing a mission statement for a business

2. Benefits/advantage/importance/merits/arguments for

Use present simple tense

(It creates/they create, e.t.c)

Questions:

- i. Benefits of an effective organizational chart
- ii. Arguments for training employees in an enterprise
- iii. Merits of mentoring in the development of social enterprise
- iv. Importance of keeping records in small businesses
- v. Advantages of a good personal brand
- vi. Benefits of insurance

3. Roles.

- Begin with present continuous tense "ing"

Questions

- Examine the role of taxation in development of Uganda
- Describe the roles of U.R.A
- Roles of C.M.A in the development of capital markets industry in Uganda

4. Responsibilities

- Begin with present continuous tense/to/present simple tense

Questions:

- Responsibilities of Uganda Securities Exchange
- Explain the social responsibilities of the business
- Responsibilities of a Human Resource Manager in an organization

5. Circumstances/conditions/instances

- Begin with, If/when/in case

Questions:

- Circumstances under which entrepreneurs should carry out market research.
- Instances under which workers are paid different amounts of salaries
- Conditions under which an entrepreneur may fail to implement the business marketing plan.
- Under what circumstance may an entrepreneur carry out sales promotion.

6. Steps/stages/procedures/process/levels

- Follow a chronological order and the position for each identified by the paragraph it is written.

Questions

- Steps of the creative process
- Procedures for developing a lucrative personal brand
- Stages involved in training employees
- Process for investing in collective investment schemes
- Procedure for analyzing a risk situation in business

7. Components/contents/elements/tools

- Mention point, put full stop, then explanation

Questions:

- Components of a social enterprise
- Elements of an executive summary

- iii. Contents of a prospectus
- iv. Tools for inventory management
- v. Tools for effective market strategy

8. Principles/canons/laws

- Mention point, put full stop; then explanation.
Do not change any letter or word in a principle

Questions

- i. Laws for effective personal branding
- ii. Principles of negotiation
- iii. Canons of insurance
- iv. Doctrines of purchasing

9. Characteristics/Attribute/features/essentials/traits

- Mention point, put full stop, then explanation. Do not speculate (using words like can, should, may, would, could)
- Explain using present simple tense (is/are)

Questions

- i. Attributes of good social entrepreneurs
- ii. Essentials of innovators
- iii. Features of creative people
- iv. Characteristics of appropriate technology
- v. Behavioral traits of people with strong need for achievement.

10. Determining/influencing/affecting

- Neutral point, two sided explanation.

Questions:

- i. Factors influencing level of tax compliance
- ii. Factors determining cost of production
- iii. Factors affecting competition
- iv. Social-cultural factors influencing entrepreneurial attitudes
- v. Factors influencing quality standards of a product.

11. Barriers/hinderances/limitations/constraints/obstacles/challenges

Questions:

- i. Limitations to creativity
- ii. Challenges faced by family businesses
- iii. Barriers to effective bargaining
- iv. Constraints towards development of capital markets industry in Uganda

12. Ways/measures/how/suggestive questions

- Begin with By/Through/"ing"

Questions:

- i. Ways of ensuring successful operation of family businesses
- ii. Ways of minimizing risks in business
- iii. How to promote development of Uganda capital markets industry
- iv. Ways of ensuring proper cash management
- v. Measures for effective implementation of a business plan
- vi. Suggest possible remedies for improving entrepreneurial environment
- vii. Ways of reducing effects of sustainable use of resources by businesses on the natural environment.
- viii. Measure for developing positive mental attitude among entrepreneurs

13. Effects/impact/implications/consequences

- Both positive and negative
- Separate positive effects from negative

Questions

- i. Impact of change
- ii. Effects of competition
- iii. Consequences of globalization

NB: However, some questions may be one sided. E.g. consequences of proper time management

14. Distinguish/differentiate

- Use while/whereas

Question:

- i. Differentiate between marketing and selling
- ii. Distinguish between social enterprise and business enterprise

15. Comparison questions

- Use unlike/compared to/ than

Questions:

- i. Explain reasons why many entrepreneurs prefer advertising on radio than television
- ii. Why are few women involved in business as compared to men
- iii. Merits of direct taxes over indirect taxes

16. Sources

- Give point, put full stop, then explanation

Questions:

- i. Sources of innovation
- ii. Sources of business ideas

17. Questions with 'And' in the middle of two concepts.

- These are two questions in one (2 in 1)

Questions:

- i. Tools of inventory and stores management

- ii. Explain the different types of direct and indirect taxes

18. Illustration.

- Define concept, illustrate, explain different components.

Questions:

- i. Illustration of product life cycle stages
- ii. Illustration of the communication process
- iii. Illustration of the entrepreneurial framework

19. Techniques/Strategies.

- Begin with present continuous tense (ing)

Questions:

- i. Techniques for effective time management
- ii. Strategies for ensuring effective bargaining process
- iii. Strategies for ensuring a positive and sustainable impact in the society.

20. Indicators/manifestations

Questions:

- i. Indicators of a decrease in competition
- ii. manifestations of a good customer care
- iii. Indicators of a good economic environment.

21. Qualities

- Use should

Questions:

- i. Qualities of a good business plan
- ii. Qualities of a good business opportunity

Other questions

- i. Factors that necessitate good relationship between family and business
- ii. Examine the key players in Uganda capital markets industry.
- iii. Describe the different types of insurance policies acquired by entrepreneurs in Uganda

QUESTION APPROACH AND QUALIFIES TO BE USED IN ENTREPRENEURSHIP EDUCATION paper one

HOW TO EXCEL IN PAPER ONE.

1. Avoid spelling mistakes eg **god** instead of **good**, **rapping** instead of **wrapping** ,**inadequate** instead **inadequate..**
2. Use correct question approach and qualify
3. Master how to raise explanations ie techniques of giving explanations include; Explain by giving importance or an example examples
4. Ensure proper numbering of your work eg 3b),3c) not b or c

5. Always have a wider revision. Avoid shallow and narrow average.
6. Presenting of factual work. Avoid gambling. eg Principles of negotiation
7. Using correct methods of revision eg Topical Revision.
8. Never take any area / topic / sub topic for granted. ie **Don't ignore any area**
9. Master and exhaust the Content
10. Avoid cramming most of the concepts but you must understand.
11. Use good reading materials
12. Know the scope of the paper Content/ topics which are meant to be attended to and therefore attend to them all **unreservedly**.
13. Use Good handwriting.
14. Have a positive attitude towards areas of the paper including Financial Management
15. Every document you present, don't forget to indicate the;
 - ✓ **Heading**
 - ✓ **Business name and address**
 - ✓ **Document title**
 - ✓ **Frame**
 - ✓ **Who prepared the document and provision for approval.**

NOTE THIS ALSO DEAR CANDIDATES

- ✓ Do not start to write the moment they say start, first relax and, read all instructions. Panic, pressure and fear will vanish.
- ✓ Read all the questions at least twice and tick those you can answer best
- ✓ Examiners give marks by impression. Therefore endeavor to use good writing and try to be organized, number your work well also.
- ✓ Try as much as possible to give many points, you never know what the examiners want.
- ✓ Make adequate summary of your answers on each question to be attempted for the purpose of consistent in your work. It will also improve on your memory.
- ✓ Start with the right qualifier at the beginning of your point.
- ✓ Gambling is strictly prohibited in subjects like Entrepreneurship Education which requires one to have good mastery of the subject matter, avoid writing mediocre type of answers
- ✓ For a good student from a good school, it is advisable to write an opening statement before giving points. **E.g below are the obstacles to creativity.** This will alert the examiner about what you are going to discuss.

- ✓ It is also a better technique to skip a line between each paragraph for your points. Such lines make your work neat and it reduces the rate at which you are annoying examiners with poor handwriting but most importantly, they can be used to refill the forgotten work
- ✓ Use the last minute to read through your work. Don't write up to write up to the last minute.
- ✓ Proper numbering of your work is very important e.g it is **2b** not b, **3C** not **C**
- ✓ Passing comes with **passion; love, hardworking and commitment**. Therefore always develop them towards the subject if you are to excel.
- ✓ Try to answer questions asked systematically and relevantly. Avoid starting gambling straight away from the start as this may bias the examiner by creating an impression that you are already weak candidate.
- ✓ Do not waste time defining terms which they have not asked and making other detailed introductions. Just make opening statements.
- ✓ Choose your questions wisely, some questions are easier than others but they carry equal marks. So why go in for hard ones for same marks? In this case , all question s are equal in the eyes of the examiners no special considerations Don't mind that the easy questions have been attempted by many , Just struggle to stand out of the crowd by giving the best presentation

END.

ENTREPRENEURSHIP Paper 2

TOPICAL PROJECT QUESTIONS THAT ARE COMMONLY EXAMINABLE IN PAPER 2.

1.HUMAN RESOURCE MANAGEMENT

.You own a bakery in your home area

- a. Design an advert for the post of Human Resource Manager under (**Uneb 2013**).
 - ii) Present the guidelines to promote Safety and security of employees (**UNEB 2015**).
- b. i) Present the job specification for the new recruited human Resource Manager (**2019 UNEB**).
 - ii) Design the guidelines to promote discipline among employees (**2015 UNEB/2017 UNEB**).
- c. Design a remuneration policy structure (**2016 UNEB**).
 - ii) Design strategies to promote discipline among employees retention. (**UNEB 2017**)
- d. i)Prepare a recruitment programme for recruitment of business employees (**Uneb2018**)
 - ii)Prepare an interview program to be used when conducting interviews
- e. Design a motivation policy for business employees (**UNEB. 2017**).
- f. Design a training programme./Plan for developing employees.

- ii) Design an induction programme (**UNEB 2019**).
- g.** Draft a code of conduct to be followed by employees (**2019 UNEB**).
- h. Develop the guidelines to minimize labour turn over.
- i. Develop guidelines to be followed when recruiting employees (**UNEB 2020**)
 - ii) Measures to promote employer- employee relations
- j. Design an arrival and departure book for customers.**

2. Your have mobilized funds and set up a motor garage in your area.

- a. Develop the rules and regulations to be followed by the staff to promote discipline among employees
- b. Design an arrival book for employees.
- c. Draft the code of conduct to be followed by employees.
- d. Design the guidelines to be followed when designing employee's remuneration structure.
- e. Prepare a pay roll for your employees.
- f. Prepare an employee Card.
- g. Design an employee pay slip.
- h. Prepare a certificate of appreciation to Mr. Okello a security officer for outstanding performance.
- i. Design an interview schedule for previously conducted interviews.
- j. Design a Job advert for a receptionist.
- k. Design a Job description for a newly recruited receptionist.
- l. i) Design a performance appraisal / form for a newly contract for a newly recruited receptionist.
- ii) What procedure should be followed by the management when handling undisciplined employees of the business?

2. BUSINESS PLAN

3. You own a grain milling plant

- a) Prepare its production plan (UNEB 2013 / 2015).
- b) Develop the general description UNEB 2013.
- c) Develop its marketing plan UNEB 2018 / 2019.

- d) Develop its Administrative and management plan UNEB 2013 / 2017 UNEB.
- e) State the vision and mission statement of **UNEB 2013 / UNEB 2015.****
- f) Design its action plan (2013,2022 UNEB).
- g) Prepare its financial plan UNEB **2014.****
- h) Prepare an organization chart
- i) Present the executive summary of your project.
- j) Draft a business profile.
- k) Design a programme for drafting a business plan.
- l) Draft the guidelines to be followed when drafting an Administrative plan.
- m) Draft the guidelines to be followed when drafting a production plan
- n) present any five users of business plan information.
- o) Prepare SWOT analysis to determine the competitive advantage of the business .(JEB 2023)

3.PRODUCTION MANAGEMENT

4.You own a petrol station in your home area.

- a. Prepare safe guidelines to be followed by your employees UNEB 2012.
- b. Present the guidelines to ensure proper handling of machinery UNEB 2015./ UNeb 2022
- c. Develop the guidelines to ensure effective time management 2015 UNEB/2017.
- d. Draft a brand label for your product.
- e. i)Prepare a price current UNEB 2016.
ii)Present the guidelines to be followed when selecting business suppliers 2014 UNEB.
- f. i) Design a programme for servicing of machines UNEB 2017.
ii) Prepare a stock requisition form to be issued to acquire business supplies.
- g. Develop the rules for controlling inventory 2022 UNEB.
- h. Design a site plan for your business
- i. Present the rules to be followed to minimize accidents.
- j. Present the policy cleanliness and hygiene policies to be followed at a place of work.

5. You own a confectionery project

- a) Design its plan layout/ production process flow plant

- b) Develop the guidelines to be followed when designing a plant layout.
- c) Design a packaging label to be placed on your products produced.
- d) Draft the guidelines to be followed to ensure proper management of inventories UBEB 2020.
- e) Develop the guidelines to be followed minimize cost of production / operating costs.
- f) Present the guidelines to be followed by the store keeper at the receipt of goods.
- g) Write the guidelines to be followed by employees to ensure their safety.
- h) Design a stock card for business use when recording particular inventories in the store.
- i) Design a programme for servicing machines.
- h) Present the policy guidelines for maintaining high quality products. Aciteck 2019.**
 - k) Draft guidelines to be followed when managing and maintaining the following
 - Proper maintenance of business premises
 - Proper storage of finished goods
 - Handling of hazardous substances
 - Proper lighting
 - Work stations
 - Welfare facilities
 - Minimizing accidents
 - l) Draft the guidelines to ensure effective time management

4.SOCIAL ENTREPRENEURSHIP / INNOVATION AND CREATIVITY.

. You own a social enterprise dealing in recycling project.

- a. Prepare GEPIC structure advocacy to the community (UNEB 2015, 2018, 2020,WAKISHA 2023).**
- b. Present other social ...concerns... of the community (UNEB 2014)**
- c. i) Develop the guidelines to promote sustainability of the project (2018 UNEB.**
 - ii) Draft a theory of change**
- d. Present guidelines to develop creative ability among workers.
- e. Develop a root cause analysis for poor disposal of wastes problem.
- f. Design a programme to become a social entrepreneur and managing finance

7. BUDGETS AND BUSINESS EXPENSES

You have set aside 20,000,000 to start a carpentry project.

- a. Prepare a budget for the project. (UNEB 2019)
- b. Suggest possible sources of business finance using capital budget
- c. Prepare a pre-operating expenses budget.
- d. Develop the guidelines to minimize business expenses.
- e. Present a capital expenditure budget.

8. You are a member of one of the fast growing SACCOS in your area.

- a) Develop the lending terms and conditions followed by borrowers.
- b) Draft the duties of SACCO members.
- c) How will you manage the funds of the SACCOS
- d) Design a credit recovery program
- e) Draft the guidelines to be followed to minimize cash short falls in your SACCOS
- f) Design a cash deposit slip to be used when depositing funds.
- g) Design a cash withdraw slip form for SACCO.
- h) Present a fixed capital expenditure budget.
- i) Prepare a debt reminder notice to your business debtors.(JEB 2023)

09. You have just acquired a loan worth 8000,000 from Equity Bank as a strategy to raise more funds to be paid into 4 equal installments in four months at an interest rate of 24% per annum.

Prepare a loan repayment schedule that has been received from the equity bank

5. MARKETING MANAGEMENT

9. You have mobilized some savings and set up a juice project.

Develop a financial management policy / cash management (**UNEB 2013**).

- a. Design a market survey guide. (**UNEB 2013 / UNEB 2018, 2020**).
- b. Explain the marketing strategies you will use (**UNEB 2013**.)
- c. What measures will you undertake to promote a competitive advantage of your business (**UNEB 2014**).
- d. Design a sign post for advertising the products .**UNEB 2016/ 2019 UNEB**.
- e. Prepare the terms and conditions to be inducted in the contract of credit purchases **2016UNEB**.

- f. Design the lending terms and conditions to be followed contractual dealings made with business customers.
- g. Design a customer survey satisfaction tool **UNEB 2017./ ELITE MOCK 2017**
- h. Prepare a newspaper advert for advertising business products.(**UNEB 2018**)
- i. Design the guidelines to be followed when selling goods on credit (UNEB 2019.design a poster for your project 2020.
- j. Prepare a distribution schedule **UNEB 2022.**
- k. i)Prepare a bid notice for suppliers of machines
- l. Prepare contractors board for the construction of new building at the factory.
ii) Design a brochure to be used to promote business products.

10. You own a honey processing project and you have acquired a loan for business expansion.

- a. Design a market flow chart.
- b. Present the guidelines to promote good customer care.
- c. Design a contract board for newly constructed building to expand production by a given construction company.
- d. Design a tender for bidding notice.(uneb 2020)
- e. Draw a programme for effective personal selling of your products.
- f. Draft the guidelines to be followed to ensure proper management of an acquired loan.
- g. Develop the guidelines to manage business competition.
- h. Draft the elements of marketing mix used by your business project.

6. SOURCE DOCUMENTS, SCHEDULES AND FORMS

You own a poultry farm.

- a. Prepare an invoice **UNEB 2013.**
- b. Prepare a credit note to a customer who was over charged by 200,000 (**UNEB 2017**).
Prepare a quotation for your products issued out to customers (**UNEB 2018**).
 - Good received note **2019 UNEB.**
 - Goods returned note
 - An inquiry (**UNEB 2019**).
 - Purchase order.
 - Price list(2019).

- Delivery note
- Packaging sheet.
- Credit note
- Statement of account
- Credit status inquiry
- Check deposits slip
- Petty cash payment voucher
- Asset register
- Dispatch note
- Cash sale/slip

7.. You own a bakery project in your area.

- a) Prepare an invoice to the customer to whom you have just supplied some products on credit **(JEB MOCK 2023)**
- b) The following are records of one of your customer for the last month of july.
 - 1st July sold goods on credit to him worth with invoice no.003 shs. 50,000.
 - 2nd ,, Sold more goods to the customer worth shs. 30,000.
 - 3rd, Received cash from the customer and issued a receipt no.006 Shs..40,000
 - 10th Received returns from the customer because goods sold to him/it were expired worth .10,000.
- **Required;** prepare a Statement of account to be issued to that customer.

b) Prepare **a credit status inquiry** to equity bank seeking credit worthness of a new customer who wants to acquire bakery products on credit.

c)Write an invoice to a customer tto whom you have supplied products on credit worth 500,000.

c)Draft **a standing order** to stanbic bank instructing it to settle your monthly water bills of 100,000 to National water.

Other documents include.

- Package sheet.

- Advise note
- An invoice
- Delivery note
- Debit note
- Credit note
- Standing order
- Stock requisition forms
- Stock card.
- Cheque payment Voucher.
- Cash payment Voucher.
- Credit Status Inquiry.
- Cheque deposit slip.

7. FAMILY AND BUSINESS GENDER AND ENTREPRENEURSHIP

You have agreed and your family and set up a family project UNEB 2014

- a. Identify the family resources needed.
 - ii. How will your family benefit from the project.
- b. State the possible challenges that are most likely to face your project.
 - ii. Suggest the measures you will undertake to ensure success of the project.
- c. Prepare guidelines to be followed to promote gender balance of employees.

8 COMMUNICATION SKILLS

You own a goat farm project

- a. Write a letter inviting a veterinary doctor for medical assistance **UNEB 2013, 2016 UBEB 2018, 2019.**
- b. Write an appointment to be issued to newly recruited farm manager.
- c. Prepare a report to communicate about business operations **UNEB 2016.**
- d. Draft guidelines to be followed when handling difficult customers (**UNEB 2018**).
 - Tender notice for bidding (**2020 Uneb**)
- e. Prepare a notice inviting employees for an urgent meeting
- f. i)Draft the guidelines to be followed when bargaining with customers.
 ii)Design a memo inviting employees for an urgent meeting

g)present the guidelines to be followed when presenting products to customers.

h)i)Draft a memo inviting your employees for a training workshop.

ii)Write a circular to your customers informing them about changes in prices

write a termination letter to be issued to your security guard to whom you have terminated over cases of indiscipline and incompetence.

9. SCHEDULES

.You own a factory dealing in snack production.

- a) Prepare a weekly work schedule.
- b) Design a distribution schedule for your business project(uneb 2022)
- c) Draft the guidelines to be followed when distributing products
- d) Design a daily time sheet for workers to be used.
- e) Draft the guidelines to minimize labour turn over.
- f) Draft the guidelines to be followed to ensure security of the area.
- g) Prepare a marketing and supply schedule of your business.

10. CONTRACTUAL DOCUMENTS.

You and other three friends are running maize farm and you have won a contract to start supply maize flour to your former school.

- a) Develop the terms and conditions to be included in your contract with the school.
- b) Under what circumstances may that contract be terminated
- c) Draft the employee contract policy for the newly recruited employees at your plant
- d) Draft a partnership deed for your business

OTHER DOCUMENTS INCLUDE;

-Forms like medical forms,stock requisition forms etc

-work place documents like caller's book, attendance book,vistor's book etc.

NOTE:

QUESTIONS ABOUT PROGRAMMES

Programme to be followed when assessing business risks

Programme to promote change

Programme to materialize business idea.

Programme in researching a business idea.

Programme in turning a business idea into a product.
 Programme in taking an insurance contract lower.
 Programme for claiming for compensation.
 Programme when followed when conducting negotiation process.
 Programme to become a social entrepreneur.
 Programme to be followed when conducting production activities.
 Programme when purchasing business supplies.
 Programme to implement business activities.
 Programme to recruit employees.
 Programme in launching programme.
 Programme in promotions programme.
 Programme when drafting a business plan.
 Programme in training programme

Credit recovery program.(JEB MOC 2023,UNEB 2016)

Programm to conduct creative selling.
 Programme in the process of buying and selling shares.
 Programme in investing in investments collective schemes etc.

NOTE

ALSO:

These questions come from procedural/step questions of paper one.

FINANCIAL MANAGEMENT.

1. The following are the records of omega trade for the months of January, February, March and April 2020

- I. The company expects to sell goods every month 1,000,000 and received 60% of the balance to be received after 1 month of sale of all sales
- II. A loan worth 8 million was acquired in January but payments were made after one month of grace period and was distributed into four equal monthly installments with an annual interest of 12% using reducing balance method.
- III. A company expects to pay for raw materials worth 5,000,000 in the first month but this is to increase by 10% monthly
- IV. The company expects to buy worth a mortovan 4 million and paid cash worth 2,000,000 and the remaining balance was paid in the ratio 4:2:2
- V. Theft of cash worth 500,000 was made in the month of march
- VI. Monthly cash drawings for machinery maintenance worth 80,000 was made and this was to increase by 5% monthly.
- VII. A machine worth 3,000,000 was received in form of a donation
- VIII. Monthly commission receipt and payment were 100,000 and 150,000 respectively

- IX. Annual income tax worth 24,000,000 was monthly cleared starting with January
- X. Monthly credit purchases were worth 84,000,000 and credit term allows 40% payment in the month of purchase and the balance in the following month of purchase
- XI. Monthly electricity bills were 1000,000 but this was to reduce by 200,000 after 1 month
- XII. The business expects to pay a cash dividends worth 100,000 monthly but this was to reduce by 10,000 every month.

Required: (a) Prepare a cash budget (20mks)

(b) Mention any 5 ways to overcome cash deficits in the business.

2.The following projections relate to the books of MAMA TRADERS for the months of June, July, August and September 2020

- ❖ Monthly cash sales are expected to be shs.400,000
- ❖ The monthly credit sales were 2000,000 but 40% of the cash was received and the remaining balance to be received after one month for all months
- ❖ The business acquired a loan worth 6000,000 in June to be paid in the month following loan acquisition after one month of grace period in three equal installments at an interest rate of 24% per annum using a reducing balance method.
- ❖ Cash short fall brought down from last month of May 2020 was shs.100,000 .
- ❖ The business expects a monthly credit purchases worth 300,000 but payments were to be made after one month.
- ❖ Annual income tax worth 12,000,000 was monthly paid
- ❖ Monthly electricity bills worth 50,000 but this increased by 5% every month.
- ❖ Monthly rent income worth 600,000 but this was to reduce by 2% after 2 months
- ❖ The business disposed a fixed asset worth 8,000,000 in June but 20% of cash was received and the remaining cash was cleared in the next 2 months in the ratio of 1:1
- ❖ Theft of cash worth 50,000 was monthly recorded.
- ❖ Monthly cash receipt and payments was 80,000 and 60,000 respectively.

Require; a) Prepare a cash flow statement. (21mks)

b) State any four components of a cash flow statement.(04mks)

3.The following projections relate to the books of PAPA TRADERS for the months of June, July, August and September

- I. The business had a cash balance of shs.600,000 by the end of 31st may
- II. Monthly cash sales are expected to be shs. 400,000
- III. The business is expected to issue the debenture certificate worth 80,000,000 in July.
- IV. The business acquired a loan in the month of august worth 2,000,000 and attracted an interest of 5%
- V. Monthly credit sales are 6,000,000 and debtors are meant to be cleared in the month of sale
- VI. The business expects to buy a vehicle worth 36,000,000 in july and pays 2,000,000 and the balance to be cleared in the following months into two equal installments
- VII. The business expects a cash donation of 400,000 shillings monthly and this was to increase by 5% after the first 2 months
- VIII. Monthly salary bill 300,000
- IX. The business had a policy of paying 2% commission whenever cash is received
- X. Monthly rent income 500,000 but this was to reduce by 50,000 monthly after 1 month
- XI. Monthly water bills is 80,000 but the payments of August was paid in September
- XII. Credit purchases were monthly bought worth 1000,000 and 20% of cash was paid and the balance to be paid after one month.

Required; prepare a cash flow statement

(b) Give any 5 ways to increase cash flows in the business

4.The information below relates to cash projections of NKWATAKO Traders due to start business on 1st June 2022.

- i. The projected **monthly sales** are shs 40,000,000 but 60% of the sales are cash while the remaining amount is to be collected in the following month for all months.
- ii. Monthly cash purchases shs 9,000,000 and monthly commission income shs 400,000.
- iii. Monthly Electricity bills shs 2,000,000 and paid in single sum in the August 2022.
- iv. The business expects a loan shs 8,000,000 in June.
- v. Interest on the loan is 10% per month on reducing balancing method effective August 2022.
- vi. The loan is payable in 4 monthly equal instalments and the business was granted a one month grace period for loan repayment.

- vii. The business expected a donation of Shs. 2,000,000 in June. This was to increase by 10% monthly.
- viii. A monthly commission is to be paid shs 8,000,000. This is expected to reduce by 10% monthly in the following months on the amount due.
- ix. Some business stock worth shs 80,000 was destroyed by fire on July 24th 2022. The business had not taken insurance cover for this cause.
- x. Monthly trade fares and exhibitions organised by the business are expected to raise gate collections of shs 5,000,000. This is to increase by 20% after two months.
- xi. In the third month, the business owner took some cash worth shs 1,000,000 to buy a gift for her daughter on her 6th birthday.
- xii. The business hope to buy a new machine at shs 50,000,000 on the first day of the first month paying 80% cash and the remaining amount to be paid after a grace period of one month.
- xiii. The business purchased motor van worth shs 100,000,000 on instalment agreement. It made a down payment of 40% in the first month and the balance will be paid in the ratio of 20%: 1:1 respectively. The asset is to be depreciated by 10% on reducing balancing method.
- xiv. Monthly rent income is projected as shs 2,000,000 which is to increase by 15% after three months.
- xv. The owner of the business expects a donation of motor van worth shs 8,000,000 in June and another for building shs 23,000,000 in the month of August.
- xvi. Labour cost was expected at Shs. 600 per day, per employee for 20 employees for June, July, August and September respectively.
- xvii. A cash deficit in a given month is to be offset by getting a debenture in the following month.

Required

a) Prepare a monthly cash flow statement for the four months. (June, July, August and September, 2022)

b) Advise on measures under taken to solve an anticipated cash deficit (cash flow short fall)

5.Wakiso enterprises LTD has provided you with the following projections for the first four months of 2019.

- i. January 1st cash balance was Shs.68, 000,000.
- ii. Invoices expected to be issued by the sales manager are worth Shs. 32,000,000 per month and Payment of 75%, is in the month of sale and the balance is to be made in the following month.

- iii. It expected cash sales for Shs 48,000,000 per month. An increase of 20% is expected after the first two month respectively. All cash sales attract a discount of 10%.
- iv. Monthly rent income from one of its property is expected to be shs 16,000,000 but this is expected to increase by 10% monthly after January.
- v. A loan of shs 44,000,000 was acquired in the second month and shs. 24,000,000 is to be acquired in the last month.
- vi. Monthly interest on first loan is 5% payable with effect from February.
- vii. Purchases of 400,500,600 and 700 units of input were made for each month respectively at a cost of Shs. 35,000 per unit.
- viii. Monthly salaries and wages were projected at shs. 32,000,000. An increase of 10% is expected in the last month.
- ix. A loan principle of the first loan is to be effected as a single sum in the last month.
- x. Expansion of premises expected to cost shs. 15,000,000 in the month of January 2019 and shs. 25,000,000 in the third month.
- xi. The business acquired a motor-van in February at a cost of shs. 10,000,000. The motor van was to depreciate by 10% per month starting with March.

Required;

- (a) Prepare a cash flow statement for Wakiso Enterprises Ltd for the first four months, of 2019.
- (b) Give the importance of a cash flow statement of the management team of the business.
- (c) State the measures that can be undertaken to avoid a cash short fall in the business.

6. The following cash projections have been obtained from the books of OLIMI books of accounts for 2018.

- a) Introduction capital in the business shs. 5,000,000 in January.
- b) Concession loan from the micro finances shs. 5,000,000 in January (repayment in four equal installments starting with March).
- c) The loan will attract an annual interest of 12% starting in march.

- d) Cash sales per month is estimated to be shs. 1,000,000 with an increase of 5% starting March.
- e) He also expects to receive cash from credit customers as follows $\frac{1}{2}$ of the month cash sales in February $\frac{1}{4}$ of the monthly cash sales in March and April.
The monthly credit purchases are to amount shs. 4,000,000. All credit suppliers will allow one month credit period.
- f) The monthly cash purchases are projected to be shs. 6,000,000.
- g) The business will employ two shop attendants and each will be paid shs. 250,000 per month.
- h) The business is expected to incur advertising costs and this is estimated to be shs. 15,000,000 per month.
- i) Insurance premium is also projected to be shs. 650, 000. This will be paid in January.

Required:

- i. Prepare his cash flow statement for four months starting with January 2018.
- ii. Explain any five major causes of cash short falls in business.

7a) Distinguish between a **Cash flow statement** and an **Income statement**.

(b) Butambala Traders had the following expected sales relating to the months of April to July 2012.

Months	April (Shs)	May (Shs)	June (Shs)	July (Shs)
Sales	60,000,000	70,000,000	50,000,000	90,000,000

Note the following;

- a. The company receives cash worth 65% of the sales in the month of sale and the balance in the next month.
- b. The company is to receive extra share capital in the month of April and July of shs. 20,000,000 and shs. 30,000,000 respectively.
- c. The company expects to get a loan in May of shs. 18,000,000.
- d. The company expects rent refund in May of Shs. 2,200,000.
- e. The Company expects to buy raw materials worthy 30% of sales in every month.
- f. In the month of June, it expects a grant of shs. 4,000,000.
- g. The company is to pay salaries to workers of shs. 12,400,000 per month.

- h. Electricity charges are projected at shs. 1,320,000 per month.
- i. Tax returns to URA per month are expected to be shs. 3,600,000.
- j. Payment of water bills per month shs. 1,200,000.
- k. Loan repayment per month expected to be shs. 3,000,000.
- l. Cash balance as per 31st March was shs. 20,540,000.

Required

- a. Use the information above to prepare a cash flow statement for Butambala traders.
- b. Comment on the net cash position for Butambala traders.

8.) ALPHA TRADERS enterprises whole shop, monthly records from May – August 2020 were as follows

I. Sales in kgs

May	50,000
June	80,000
July	100,000
August	120,000

Each kg was at shs 1000 on a cash basis

- II. Net cash position for April was 900,000
- III. Obtained a loan worth 3,000,000, with 10% interest rate from Equity Bank to be paid in two equal installments in the months of May and June respectively.
- IV. Physical drawing of goods worth 500,000 were made in July and August respectively.
- V. Monthly labor cost of 10 workers in respective months 50,000 per worker.
- VI. Credit monthly sales were 4,000,000 but cash was to be received after two months for all months.
- VII. Monthly credit purchases for maize flour were estimated at shs 44,000,000 and credit term allows 40% payments in the month of purchase and the balance in the following month of purchase.
- VIII. Purchased a motor van worth 8,000,000 in the month of May but 20% of cash payment was made and the remaining balance was paid in the ratio of 1:1
- IX. The business will buy 900 units of Yaka electricity bill each at shs 500. This was to increase by 10% every month
- X. Expected donation in form of a machine worth 2,000,000 was received.
- XI. Annual income tax worth 12,000,000 was monthly paid starting with May

XII. Monthly rental income worth 2,000,000

Required

- a) Prepare a cash budget.
- b) Mention any differences between a cash budget and an income statement.

9.The following are records of GREAT TRADERS for the year 2021.

- I. By 31st Dec 2020 the business had unused cash of Shs. 400,000
- II. The business expected monthly cash sale worth 5,000,000
- III. The business made a monthly credit sale worth 1,000,000 but received only 40% of the cash sales and the balance to be received after one month for all months
- IV. The business also expects a monthly credit purchases worth 600,000 but payments are to be made after one month
- V. The business bought a new table worth 2,000,000 and paid 25% of the cash in January and the remaining balance was paid in the single sum after one month of grace period.
- VI. The business expects a monthly rent worth 300000 however this increased by 10% after one month. Monthly water bills were 50,000 and this reduced to 20,000 after two months.
- VII. The business acquired a loan in January worth 8,000,000 with a monthly interest rate payment of 5% using a fixed method and the loan is planned to be paid into four equal installments.
- VIII. Monthly commission income and payment is 50,000 and 30,000 respectively.

Required

Prepare a cash flow statement for the months of January-April

10.

- i. On 1st January 2018, the business had cash shortfall of Shs3500000 and it is the businesses policy to obtain a loan at the beginning of the month to overcome the deficit realized during the previous months
- ii. The business expects to make monthly cash sale of Shs.6000000 and are expected to increase by 10% on monthly basis after the first month

- iii. The business organized a football match in February and expected a gate collection of Shs5000 and each for the first 1000 spectators and extra spectators Shs.7000 each and the match was watched by 1500 spectators
- iv. Monthly rent income Shs. 1800000 and is expected to reduce by reduce by 10% after the first 10 months
- v. The business expects to get donations from a community based organization Shs,1000000 at the end of each quarter of the year
- vi. The business expects to obtain debenture of Shs.1500000 in February
- vii. Monthly credit sales amounted to Shs. 3000000. It was the business policy to collect 70% in the month of sale and 30% in the next month.
- viii. Monthly cash purchase amounted to Shs. 1200000 and they were projected to increase by 50% in the third month
- ix. The business purchased machinery in February at Shs, 8000000 and payments were made in February and March in the ratio of 6;2 respectively
- x. Monthly wage payment of 50 workers each amounting to Shs. 120000
- xi. The business is expected to pay taxes at the end of each quarter of the year of Shs 600000
- xii. The business machinery is expected to depreciate by Shs. 200000 per month
- xiii. Monthly credit purchases Shs 800000
- xiv. The business is expected to pay back interest on any loan obtained at a rate of 5% starting in the month loan acquisition

a) Prepare a cash flow statement for the first three months of 2018

b) Give any four causes of cash short falls in the business

c) Comment on the trend of the net cash position

11. You are provided with the following projections from the books of ALEKU for the months of January, February, March and April 2024

- The business expects a cash balance of Shs 10000000 by the end of December 2023
- Monthly cash sales are projected at shs. 70000000
- The business is to acquire new machinery in January worth shs. 60000000 after paying a down payment of shs. 30000000 and the balance to be cleared in 2 equal monthly installments after one month of grace period
- The business is to get a bank loan of Shs. 20000000 in January payable in 4 equal monthly installments effective February at a month interest of 2% on a reducing balance method
- Monthly cash purchase are projected at shs. 58000000
- The business expects a donation of chairs shs. 40000000 in March 2024
- The business is to sell goods on credit in January worth shs. 80000000 and receive only 50% of the expected cash and the balance to be received in the ratio of 2:2:1 in the following months
- Rent income increases by 2% monthly and the business is to receive shs. 800000 in November 2023 for this effect

- The business is to issue a debenture certificate worth shs. 10000000 in the month of February
- The business expects to buy goods on credit in February worth shs. 60000000 payment of which is to be made in the ratio of 60% : 40% excluding the month of purchase
- Monthly salary bill is expected at shs. 350000 each employee for 20 employees but the salary for January is expected to be paid in December

Required

- a) Prepare ALEKU'S cash flow plan for the four months
- b) Advise ALEKU on the sustainable management of business cash

The following projections belong to Kampala Traders for the months of May, June and July, 2020.

- i. Credit purchases per month expected to be Shs. 6,000,000.
- ii. Monthly cash sales are expected to be worth shs.10, 000 ,000. The sales are expected to decrease monthly by 10%.
- iii. Monthly planned cash purchases are purchases are expected to amount to 90%of each month's cash sales.
- iv. Commission income for the month of April 2020 to be Shs. 5,000,000 and this is projected to increase each month by 10%.
- v. Credit sales per month projected to be Shs. 6,000,000. Payments from the debtors would be received in the following month.
- vi. The business plans to purchase a minibus worth Shs. 16,000,000 on hire purchase in May and pay a down payment of Shs. 5,000,000. The balance to be paid in the following months in the ratio 3:2 respectively.
- vii. Salary expenses at the end of each month to amount Shs. 400,000 per worker . The business had 10 workers in May. The business' new policy is to increase the number of workers each month by 2 at the same salary rate.
- viii. The business plans to finance any cash flow short fall at the end of each month by obtaining a loan from Quality bank in the following month.
- ix. The bank loan will attract a monthly interest rate of 5% payable starting in the month following acquisition.
- x. Monthly commission to be paid to sales workers shall be 5% of each months' cash sales.
- xi. The business had a cash balance of Shs. 475,000 on 30th April 2020.
- xii. Depreciation expenses per month projected to be Shs. 300,000.
- xiii. Monthly cash donations projected to be Shs.2 ,000 ,000. The business plans to donate food items of the same value in the month of July 2020.

Required:

- a) Prepare a monthly cash budget for the months of May to July 2020.

b) Comment on the trend of the net cash position.

6. The following projections relate to MANDELA ENTERPRISES during the month of January

- I. On 31/Dec/2018, the Enterprise had cash and bank balance of shs. 40,000,000
- II. The business expected monthly cash sales of shs. 8,000,000
- III. Monthly credit sales were projected at shs. 2,500,000 for which payment were to be made the
- IV. following month.
- V. Rent received on 31.12.2018 was cash of shs. 600,000 but this was to be increased by 10% monthly
- VI. Monthly cash purchases were projected at shs. 7,000,000
- VII. Monthly water bill was projected at shs. 3,000,000
- VIII. Motor vehicle worth shs. 6,000,000 was to be bought in January 2019 and cash payment of shs. 3,800,000 to be made and the balance was to be paid in installment of 60% and 40% in next months.
- IX. The business was to get a loan of shs. 5,000,000 in the month of February 5% interest on loan was to be paid after one month of grace period on reducing balance. Loan
- X. Credit purchases of shs. 30,000,000 were made in January. However, the business has a policy of paying for credit purchases in 3 equal monthly instalments after one month
- XI. The business has 10 workers and each worker is paid monthly salary of shs. 300,000 however in April more 10 workers were recruited.
- XII. The business was to sell old computers worth shs. 800,000 in January, receiving only shs. 500,000 and balance in two equal instalments in the following months.

Required ;

- a) Prepare a cash flow plan for the four months of MANDELA ENTERPRISE
- b) Advise MANDELA on various ways of managing business cash

1. (a) Distinguish between **a cash flow plan** and **an income statement**. (4 marks)

(b) Hope Enterprises had the following information in 2022.

- i. Credit sales are to be shs. 60, millions, 80 millions, 100 millions and 120 million respectively collecting 80% in the month of sale and the balance in the following month for sales.
- ii. The monthly rent income is expected to be shs. 4,000,000 but this is expected to reduce by 10% and 15% respectively after the first two months
- iii. Monthly salaries for 60 workers are shs. 180,000 per worker

- iv. The business hopes to obtain a loan in its first month worth shs. 6,000,000
- v. The business hopes to obtain a loan in its first month worth shs .50 million and pay shs. 10 millions in the first month as down payment. The balance is to be effected in the installments of 5:3:2 in the following months.
- vi. The monthly interest on the loan is 5% payable after one month grace period.
- vii. Monthly cash purchases are shs. 18 millions
- viii. The business expects donations in cash worth shs. 5,000,00 per month but this is expected to increase by 10% after the first three months.
- ix. The first month started with a balance of shs. (10,000,000) on March , 1st 2022.
- x. The business will finance any cash shortfalls with a debenture at the beginning of the next month with an interest of 5% payable after 1 month lapse.

Required;

- a) Prepare a **CASH FLOW PLAN** for a four months period. (14 marks)
- b) Comment on the net cash position of Hope enterprises. (03 marks)
- c) Advise the business on what to do in case of a negative Net cash position (04 marks)

The following projections relate to Kakira Enterprises during the months of May, June, July and August2017.

- i. On May 1st 2017 the enterprise had a cash balance of shs. 40,000,000 and Bank balance of shs. (8,000,000)
- ii. Outputs of 600 units, 650 units , 750 units and 950 units each at Shs. 1,200 were to be sold in the months of May, June , July and August on cash basis
- iii. Monthly credit sales were projected to be 25% of cash sales but payment would be received next month less 5% discount.
- iv. Donations were projected as follows;

Months	SHS.
May	1,000,000
June	1,800,000
July	1,500,000

August 3,000,000 (inform of Physical goods)

v. The business receives monthly rent income from its property. Rent received on 30th June was Shs. 600,000 but this was expected to increase by 10% after one month.

vi. Input of 500 unots, 800 units, 1100 units and 1400 units each at shs. 950 were to be purchased on cash basis

vii. Monthly expenses were projected as follows;

Expenses	shs.
Utilities	250,000
VAT	180,000
Advertising	100,000

In July no VAT was paid

viii0 Credit purchases of shs. 900,000 were made in June. The business has a policy of paying for credit purchases in 2 equal installments after one month

ix) The business has a policy of paying a 5% sales commission on tional monthly sales. No commission was paid in the first two months.

You are required to;

- a) Prepare Kakira Enterprises' cash flow statement for four months.
- b) Advise Kakira Enterprises on various ways of managing business cash surpluses.

12. BS Enterprises deals in, manufacturing of leather shoes for both males and females. It employs a total number of 15 workers and in the year 2021, the business had the following information.

Items	Amount (shs)
Turnover	48,000,000
Capital	60,000,000
Opening inventory	6,000,000
Closing inventory	3,000,000
Purchases	25,000,000
Carriage on purchases	1,000,000

Carriage on sales	500,000
Account receivable	5,000,000
Account payable	4,500,000
Accrued rent	500,000
Bank	4,000,000
Cash	3,000,000
Salaries and wages	7,000,000
Motor van	3,500,000
Land	7,000,000
Provision for depreciation on motor van	300,000
Debenture	4,000,000
Mortgage	1,000,000
Drawings	500,000

a) Compute:

- i. Cost of sales
- ii. Gross profit
- iii. Net profit
- iv. Fixed capital
- v. Rate of return on capital employed
- vi. Revenue per employee ratio
- vii. Borrowed capital
- viii. Debt to equity
- ix. Cash ratio.

b) Compute and interpret:

- i. Wages and salaries expenses ratio.
- ii. Holding ratio in days.
- iii. Average payment period in weeks
- iv. Cash ratio
- v. Debtor's collection period.

The following information was extracted from the records of Uganda TrANSPORTERS Limited for the Months of January, February, March and April 2014.

- i) On the 1st Feb 2014, had a cash balance at bank shs. 2,000,000
- ii) Made monthly cash sales of shs. 6,000,000 but would increase by 20 %
- iii) Made monthly credit purchases amounting to 60% of the month's cash sales. The amount would be paid for after one month of Purchase.
- iv) Planned to sell a motor Vehicle for shs. 8,000,000 in February 2014 and received the amount in the ratios of 4:3:1 effective March 2014
- v) Made discount allowed of shs. 800,000

- vi) Monthly wages and salaries of shs. 1,000,000 but would increase by 20%, 30% and 50% in the months of February, March and April 2014 respectively.
- vii) Made monthly cash purchase of shs 400,000 but would reduce by 20% after two months
- viii) Made monthly credit sales of shs. 2,000,000 receiving 70% in the month of sale and the balance received in the following months. 5% of the value made in a specific month is paid out to sales persons as commission
- ix) In February 2014, expected a 5% loan from Equity bank of shs.5,000,000. The interest is payable per month on reducing balance method and the loan repayable in the ratios of 2:2:1 effective February 2014
- x) Planned to acquire a debenture of shs 2,000,000 in March 2014
- xi) The monthly tax payable was 30% of the total value of goods sold in a particular month.

Required to:

- a) Prepare a cash flow statement of Uganda Transporters Limited for the months of February, March and April 2014.
- b) Prepare a policy for the management of cash surplus

10. The following are records of Titi Traders for the year ended 2021.

Particulars	Shs
Cash	2,010,000
Bank	(600,000)
Sales	35,000,000
Purchases.	9,500,000
Average stock	4,000,000
Rate of stock turn	5 times
Fixed assets	5,000,000

Accounts payable	450,000
Closing stock	2,500,000
Accounts receivable	6,590,000
Total operating expense.	8,750,000
Interest receivable due	50,000.

Required to calculate.

- i. Cost of sales
- ii. Gross profit
- iii. Net profit
- iv. Opening stock
- v. Net profit ratio
- vi. Working capital

7b) Compute and interpret.

- i. Stock/ holding period in weeks.
- ii. Rate of creditors turnover
- iii. Quick asset ratio
- iv. Debtor's collection period in days.

The following information was extracted from the books of ZAABU Enterprises as at 31st December 2015.

Partuiculars	SHS. (000s)
Turn over	12,000
Cost of Sales	8,400
Machinery	3,000
Equipment	1,200
Land and buildings	2,700
Depreciation on Machinery	300
Stock at close	600
Bank overdraft	200
Cash in Hand	400
Goodwill	500
Debtors	680
Creditors	320

Equity capital	6,720
Long term liabilities	1,500
Pre-paid insurance	80
Unpaid commission allowed	120
Interest expense	800
Tax	300
Net profit before interest and tax	6,800

Required to:

a) Prepare the balance sheet of ZAABU Enterprises as 31st December 2015

b) Compute the following ratios and interpret them;

- I.** Fixed asset turnover ratio,
- II.** Debit equity ratio
- III.** Interest cover
- IV.** Acid test ratio
- V.** Gross profit margin

13. The following information was extracted from records of Toto Traders for the year ended 31st / Dec/ 2020

Net sales	''000'' Shs
Wages	10,000
Purchases	500
Stock (1 st /Jan/2020)	2500
Stock (31 st /Dec/ 2020)	300
Discount allowed	3500
Discount received.	1500
Marketing expenses	150
Insurance premium	108
Commission received	350
Machinery	4500
Delivery van	1800
Bank overdraft	125
Cash	2000

Creditors	1200
Capital	1800
Drawings	1500
Debtors	2300
Total long term liabilities	5600
Salaries	6000
Administrative expenses	1000

(a) Calculate

- i. Cost of sales
- ii. Net profit
- iii. Capital employed

b) Compute and interpret.

- i. Inventory/ velocity ratio
- ii. Marketing expenses to turnover ratio
- iii. Gearing ratio
- iv. Salaries turnover ratio
- v. Rate of return on capital employed
- vi. Administrative ratio
- vii. Net profit ratio

14.The following balances relate to Mukono Traders Ltd for the year 2014.

Particulars	Debit	Credit (shs)
Capital		10,000,000
Purchases	4,000,000	
Fixed Assets	3,350,000	
Sunday expenses	10,999,000	
Discount received		4,500
Debtors/Creditors	2,500,000	844,500
Stock 01/01/2014	380,000	
Rent received		5,500
Drawings	15,000	
Cash Balance	6,010,500	
Total	17,354,500	17,354,500

Additional information

- Unused stationery 31st / 12/ 2014 220,000
- Net profit for year 600,000
- i. Cost of sales
- ii. Gross profit
- iii. Working capital

Compute and interpret

- i. Inventory turnover ratio
- ii. Gross profit margin
- iii. Average collection period in weeks
- iv. Rate of return of capital employed
- v. Sundry expenses to net profit ratio

No 15. The following is a summarized income statement extracted from the books of M ambo Bado Enterprises for the financial year ended 31. 21.2019.

	Shs	Shs
Sales		40,000,000
Less returns		500,000
		39,500,00
Net sales		
Less cost of sales;	10,000,000	
Opening stock	34,380,000	
Add net purchases	44,380,000	
Goods available for sale		
Less closing stock	12,000,000	
Cost of sales		32,380,000
Gross profits		7,120,000
Less operating expenses		5,210,000
Net profits		1,910,000

The following balances were also provided.

Total current assets	shs 13,232,000
Total fixed assets	shs 6,000,000
Total current liabilities	shs 1,222,000
Total creditors	shs. 700,000

Compute the following

- i. Gross profit as a percentage of cost of sales.
- ii. Employed capital

(b) Determine and interpret.

- i. Working capital ratio
- ii. Acid test ratio
- iii. Credit payment period in weeks
- iv. Rate of stock turn
- v. Gross profit margin
- vi. Operating expenses to net profit ratio.

16. The treasurer of MAMA community SACCO presented the following financial statements to the members at their annual general meeting 2019

Income statement for the year ended 2018

ITEM	Shs.
Sales	240,000,000
Loss: Cost of goods sold	180,000,000
Gross profit	60,000,000
Less: operating expenses	
Net profit	3,500,000

Balance sheets as at 31st December 2018

Item		Item	
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Capital	Shs	Fixed asset machines	82,000,000
Capital	89,000,000	Furniture	50,000,000
Add: net profit	35,000,000		
	124,000,000	CURRENT ASSETS	
Loss: drawings	10,000,000	Stock	47,000,000
Owner's equity	114,000,000	Debitors	38,000,000
Long term liabilities		Bank balances	25,000,000
3 year loan	72,000,000	Cash balance	18,000,000
Current liabilities			
Bank overdraft	34,000,000		
Creditor	40,000,000		
Total	260,000,000	Total	260,000,000

a) Calculate the following ratios

- I. Gross profit margin
- II. Net profit to owners' equity
- III. Net profit to sales ratio
- IV. Debtors turn over period in weeks

b) Compute and interpret

- I. Stock turn over period in weeks
- II. Gearing ratio

The following balances were extracted from the records of Manuella on 31st/12/2022

DETAILS	SHS. (000)
Net Sales	20,000
Net Purchases	11,000
Goods available for Sale	16,000
Stock (01.01.2022)	5,000
Stock (31.12.2022)	4,000
Total Operating Expenses	6,000
Total Fixed Assets	8,000
Debtors	1,500
Creditors	3,000
Cash	900
Accrued rent	1,000
Bank	1,600

Required;

Calculate and interpret;

- I. Inventory turnover ratio
- II. Credit payment period in days (Use 365days)
- III. Rate of return on employed capital
- IV. Stock turn over period
- V. Cash Ratio
- VI. Profit – markup

17.The following is a summarized income statement extracted from the books of Mambo Enterprises for the Financial year 2022.

	Shs.	Shs.
Sales		40,000,000

Less Sales Returns		500,000
Net Sales		39,500,000
Less: Cost of Sales		
Opening Stock	1,000,000	
Add: Net Purchases	34,380,000	
Goods Available For Sale	44,380,000	
Less Closing Stock.	12,000,000	
Cost of Sales		32,380,000
Gross Profit		7,120,000
Less; Operating Expenses		5,210,000
Net Profits		1,910,000

The following balances were also provided.

18). The following information was available from the books Ekanya Enterprises Limited for the year ended 31 December 2019

Particulars	Amount Shs
Capital	54820000
Opening stock	10000000
Accounts receivables	9000000
Sales	48000000
Return inwards	500000
Purchases	30500000
Returns outwards	600000
Carriages on purchases	100000
Salaries and wages	2000000

Accounts payable	4300000
Inventory	1100000
Rent	300000
Electricity	120000
Commission received	800000
Discount allowed	1000000
Buildings	40000000
Cash in land	8000000
Furniture	13000000
Bank overdraft	6000000

Additional information

- i. Prepaid salaries and wages Shs 300000
- ii. Commission due Shs 200000
- iii. Depreciation on furniture Shs 1300000

Required

(a) Compute

- i. Sales at cost
- ii. Gross profit
- iii. Salaries and wages ratio
- iv. Capital employed

20 .The following information was extracted from the books of WAKABI (U) LTD as at 31st December 2014.

Particulars	Shs
Sales	40,000,000
Purchases	20,000,000
Purchase Returns	1,620,000

Sales Returns	500,000
Opening Stock	10,000,000
Salaries And Wages	3,000,000
Telephone	6,000,000
Debtors	980,000
Creditors	700,000
Cash At Hand	300,000
Cash In Bank	100,000
Motor Vehicle	3,000,000
Shop Fittings	4,000,000
Stock At Close	980,000
Capital Employed	18,010,000

Required;

- a) Compute;
 - (i) Cost of sales
 - (ii) Gross profit
 - (iii) Margin
 - (iv) Net profit ratio
 - (v) Quick ratio (comment on the answers)
 - (vi) Rate of return on capital employed (comment on the answer)
 - (vii) Rate of stock turn
 - (viii) Average collection period of debtors (comment)

17.The following income statement was extracted from the books of JOLLY ENTERPRISES at the end of his trading period for the year 2016.

	Shs "000"	Shs "000"
Net sales		4,790,000
Opening stock	570,000	
Add net purchases	1,945,000	
Goods available for sale	5,515,000	

Less closing stock	100,000	
Cost of sales		2,415,000
Cross profit		2,375,000
Add additional incomes		1,110,000
Cross income		3,485,000
Less: OPERATING expenses		2,540,000
Net profit		945,000

The following balances were also available

Total fixed assets	12,215,000,000
Debtors	920,000,000
Cash	460,000,000
Bank	2,000,000,000
Interest receivable due	40,000,000
Total current liabilities	110,000,000
Capital	12,000,000,000
Bank loan	2,000,000,000
Drawings	320,000,000

a) Calculate:

- (i) Working capital ratio.
- (ii) Stock turnover period.
- (iii) Gearing ratio.

b) Compute and interpret

- (i) Total operating expenses ratio.
- (ii) Quick ratio.

The information below was extracted from records.

	Amount(shs 000)
Net sales	10,000
Wages	500
Purchases	2,500
Return outwards	300
Stock(1 st Jan 2018)	3,500
Stock(31 st Dec 2018)	1,500

Discount allowed	150
Discount received	300
Marketing expenses	2,500
Motor expenses	100
Insurance premium	108
Commission received	350
Machinery	4,500
Delivery van	1,800
Bank overdraft	125
Cash	2,000
Creditor	1,200
Capital	18,000
Drawings	1,500
Debtors	2,300
Total long term liabilities	5,600

a) Calculate;

- i. Cost of sales
- ii. Net profit
- iii. Capital employed.

b) **Compute and interpret**

- i. Inventory velocity ratio
- ii. Marketing expense ratio
- iii. Gearing ratio
- iv. Rate of return on capital employed

21). The following information was available from the books Ekanya Enterprises Limited for the year ended 31 December 2019

Particulars	Amount Shs
Capital	54820000
Opening stock	10000000

Accounts receivables	9000000
Sales	48000000
Return inwards	500000
Purchases	30500000
Returns outwards	600000
Carriages on purchases	100000
Salaries and wages	2000000
Accounts payable	4300000
Inventory	1100000
Rent	300000
Electricity	120000
Commission received	800000
Discount allowed	1000000
Buildings	40000000
Cash in land	8000000
Furniture	13000000
Bank overdraft	6000000

Additional information

- iv. Prepaid salaries and wages Shs 300000
- v. Commission due Shs 200000
- vi. Depreciation on furniture Shs 1300000

Required

(a) Compute

- v. Sales at cost
- vi. Gross profit
- vii. Salaries and wages ratio
- viii. Capital employed

x Average collection period in days

(b) Compute and interpret

- i. Stock holding period
- ii. Cash ratio
- iii. Net worth to total assets

The following is a summarized income statement extract from the books of Kazibure Enterprises for the financial year ended 31.12.2021.

	Shs.	Shs.
Sales		40,000,000
Less returns inwards		<u>500,000</u>
Net sales		39,500,000
Less cost of sales:		
Opening stock (01/01/2021)	10,000,000	
Add net purchases		
Goods available for sale	<u>34,380,000</u>	
Less closing stock	44,380,000	
Cost of sales		<u>32,380,000</u>
Gross profit		7,120,000
	<u>12,000,000</u>	
Less operating expenses		
Net profit		<u>5,210,000</u>
		1,910,000

The following balances were also provided:

Total current assets	Shs.
13,232,000	
Total fixed assets	Shs.
6,000,000	
Total current liabilities	Shs.
1,222,000	
Total creditors	Shs.
700,000	

a) Compute the value of:

- i. Gross profit as a percentage of cost of sales.
- ii. Employed capital.

b) Calculate and interpret:

- i. Working capital ratio.
- ii. Acid test ratio.
- iii. Credit payment period in weeks.
- iv. Rate of stock turn.
- v. Gross profit margin.

The following income statements was extracted from the books of BAREME on 30/06/2022.

	Shs	Shs
	000	000
Sales		200,000
Stock(1.7.2021)	50,000	
Net purchases	110,000	
Goods available for sale	160,000	
Stock (30/6/2022)	(40,000)	
Cost of sales		(120,000)
Gross profit		80,000
Total operating expenses		(60,000)
Net profit		20,000

The following balances were also available :

Total debtors	Shs. 20,000,000
Total current assets	Shs.70,000,000
Total current liabilities	Shs. 35,000,000
Total fixed assets	shs.50,000,000

Calculate and interpret

- I. Working capital ratio
- II. Debit collection period (in weeks)
- III. Debtors to sales ratio
- IV. Rate of stock turn
- V. Net profit margin

Total assets turnover ratio². The following balances were revealed by the books of Namuganza Traders at the End of the Trading period on 31st December 2022.

DETAILS	SHS. "000"
Capital	123,100
Purchases	72,000
Stock (01.01.2022)	12,000
Carriage on sales	3,000
Discount allowed	800
Discount received	260
Sales	130,000
Return inwards	10,000
Return outwards	1,500
Bank over draft	12,000
Rent and rates	4,960
Debtors	1,800
Creditors	3,500
Cash	3,000
Salaries	15,600
Land	13,000
Insurance	200
Motor expenses	4,200
Drawings	11,000
Motor Van	117,000
Pre Paid Rent	160
Outstanding Salaries	400
Stock (31 st -12-2022)	7,500

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Required:

- a)** Calculate the value of
 - i.** Cost of sales (4 marks)
 - ii.** Gross profit (3 marks)
 - iii.** Net Profit (4 marks)
- b)** Compute and interpret:
 - i.** Acid test ratio (4 marks)
 - ii.** Average debt collection period (3 marks)
 - iii.** Stock turnover period (4marks)
- iv. Net profit Ratio (3marks)

2. The following balances were revealed by the books of Namuganza Traders at the End of the Trading period on 31st December 2022.

DETAILS	SHS. '000''
Capital	123,100
Purchases	72,000
Stock (01.01.2022)	12,000
Carriage on sales	3,000
Discount allowed	800
Discount received	260
Sales	130,000
Return inwards	10,000
Return outwards	1,500
Bank over draft	12,000
Rent and rates	4,960
Debtors	1,800
Creditors	3,500
Cash	3,000

Salaries	15,600
Land	13,000
Insurance	200
Motor expenses	4,200
Drawings	11,000
Motor Van	117,000
Pre Paid Rent	160
Outstanding Salaries	400
Stock (31 st -12-2022)	7,500

Required:

- c) Calculate the value of
 - iv. Cost of sales (4 marks)
 - v. Gross profit (3 marks)
 - vi. Net Profit (4 marks)
- d) Compute and interpret:
 - iv. Acid test ratio (4 marks)
 - v. Average debt collection period (3 marks)
 - vi. Stock turnover period (4marks)
 - vii Net profit Ratio (3marks)

a) .The following balances were extracted from the financial statement of Nalufenya E3nterprises at the end of 2016.

PARTICULARS	SHS.
Cash	2,010,000
Bank	(600,000)
Sales	35,000,000
Purchases	9,500,000
Average stock	4,000,000
Rate of stock turn	5 times
Fixed Assets	5,000,000
Accounts payable	450,000
Closing stock	2,500,000

Accounts received	6,500,000
Total operating expenses	8,750,000
Interest receivable due	50,000

Required to;

- a) Calculate;
 - i) Cost of Sales
 - ii) Gross profit
 - iii) Net profit
 - iv) Opening Stock
 - v) Net profit Ratio
 - vi) Working Capital
- b) Compute and interpret
 - i) Stock/ Holding period in weeks
 - ii) Rate of creditors turnover
 - iii) Quick Asset Ratio
 - iv) Debtors collection period

23(a).The following tax payers provided you with their annual taxable incomes and annual taxes.

Tax payer	Annual taxable income (Shs)	Tax paid (Shs)
Tajiri	177,000,000	10,620,000
Masikini	141,600,000	8,496,000

Required to compute the following;

(b) Blessed Enterprises Ltd had the following VAT inclusive transactions with other VAT registered businesses in a given month.

Product	Purchases (Shs)	Sales (Shs)
Shoes	29,500,000	47,200,000
Clothes	70,800,000	106,200,000

Required to compute the following:

- (i) VAT paid on each product for the month.
- (ii) Total VAT the enterprise paid to URA for the products.

(iii) Sales value of clothes (VAT exclusive)

(c) The following VAT exclusive transactions were carried out by VAT registered businesses at various stages of distribution for the month of May 2020.

- I. Super traders bought goods worth shs.9, 000,000.
- II. Super traders sold all the goods to Ben for shs.14, 000,000.
- III. Ben sold the same goods to Joy, a retailer at shs.20, 000,000.
- IV. Joy sold all the goods to a final consumer at shs.28, 000,000.

Required; Using a VAT rate of 18%.

- (i) Calculate VAT chargeable at each stage.
- (ii) Determine the gross sales value the consumer paid for the goods.

24.Study the table below and answer the questions that follow

Tax payer	Taxable income (shs)	Tax liability (shs)
Tina	25,000,000	2,000,000
Tom	30,000,000	15,000,000
Tonny	25,600,000	5,250,000

Required

- a) Calculate the tax rate for each payer
- b) Given purchases: 5900 (VAT inclusive)
Sales 9440. (VAT inclusive)

Determine the VAT liability paid to URA

25. State any two advantages of VAT as a form of an indirect tax

- c) Ocumu is an employee of FAST PAST traders where his annual income as salary is 8,400,000. Use the income balance below to determine his annual PAYE

4 th income tax bracket	Tax rate per month
Shs 410,000 per month and above	Shs. 25000 plus 30% of the amount that exceeds

- d) Tracy is a landlord and she owns 4 rental rooms where she collects Shs. 200,000 per month from each room. Determine the net chargeable net income
Rental tax liability paid to URA

NOTE: Use 2,820,000 as tax free allowance 12% as rental tax rate

URA availed the following information to Rock of Ages hypermarket Kawanda

Monthly Payments (shs.)	Tax Rate
Exceeding shs. 250000 but not exceeding 335000	Shs.10000 + 20% of the amount by which chargeable income exceeds Shs.335000
Exceeding Shs.335000 but not exceeding Shs.410000	Shs.10000 plus 20% of the amount by which chargeable income exceeds Shs.335000
Exceeding Shs.410000 but not exceeding Shs. 25000000	i) 25000 plus 30% of the amount exceeding Shs.410000 ii) Where chargeable income exceeds Shs.10000000 and addition 10% is charged on amount exceeding Shs.10000000

The business has the following allowances and salaries to its different employees.

NAME OF EMPLOYEE	DESIGNATION	BASIC PAY (SHS)	TAXABLE ALLOWANCES (SHS)		
			150000	250000	300000
Kayanda	Security Guard	2000000	150000	250000	200000
Abiriga	Driver	900000	100000	15000	200000
Kyanko	Cleaner	60000	150000	500000	300000
Nandera	Manager	11000000	150000	500000	300000

Required;

Using the monthly PAYE tax rates shown above, calculate each employees payee tax contribution to URA

b) ROCK OF AGES HYPER MAKET imported goods 60000000 and sold to BASHIR a local distributor at 65,000,000. BASHIR sold goods to a wholesaler at shs, 72,000,000. The wholesaler sold to TWAHIR a retailer at Shs.75, 000,000.The retailer sold the goods at Shs.81, 000,000

Given that all prices are inclusive of VAT and the VAT rate is 18%, **calculate**

- . The VAT payable at each stage
- . The total VAT collected by URA
- . The final consumers price exclusive VAT

26.OMEGA Supermarket employees annual salary for the year 2023 are as follows

Tony	→	12000000
Tina	→	8400000
Ola	→	600000
Oka	→	6000000
Otti	→	24000000

Given the PAYE rates below;

Monthly income	Rates
Not exceeding shs 235000	NIL
Exceeding shs 235000 but not exceeding shs 335000	10% of the chargeable income by which chargeable income exceeds shs 235000
Exceeding shs 335000 but not exceeding shs 410000	Shs 10000 plus 20% of amount by which chargeable income exceeds shs 335000
Exceeding shs 410000	(a) shs 25000 plus 30% of the amount by which chargeable income exceeds shs 410000 (b) Where chargeable income exceeds shs 10000000 an additional 10% is charged on income exceeding shs. 10000000

- Determine their monthly PAYE tax liability
- Determine Ola's annual PAYE
- Mention any 4 indicators of non-tax compliance

27.You are part of the enforcement team for controlling tax evasion in your municipality. Your role is to ensure that people understand how to compute taxes, pay taxes, keep records and file returns. You report directly to URA

- Mention the obligations of a tax payer
- Advise the tax payers on the procedures to be followed to ensure tax compliance

Employee	Basic pay (shs)	Allowances Housing	Deductions advances
Suubi	200000	35000	-
Opolot	350000	50000	-
Juma Otti	900000	100000	200000
Aijuka	11100000	100000	500000

Given the PAYE rates below;

Monthly income	Rates
Not exceeding shs 235000	NIL
Exceeding shs 235000 but not exceeding shs 335000	10% of the chargeable income by which chargeable income exceeds shs 235000
Exceeding shs 335000 but not exceeding shs 410000	Shs 10000 plus 20% of amount by which chargeable income exceeds shs 335000
Exceeding shs 410000	(a) shs 25000 plus 30% of the amount by which chargeable income exceeds shs 410000 (b) Where chargeable income exceeds shs 10000000 an additional 10% is charged on income exceeding shs. 10000000

Compute (i) Each employees monthly tax liability

(c) MKOP imported VAT inclusive trousers from Turkey at Shs. 6000000. He later sold them to a wholesaler at shs 9000000. The same trousers were retailed at a total value of shs. 11000000. Given the VAT rate of 18%. Compare VAT at each stage

. Cheap Hard ware imported consignment of goods valued at CIF value \$ 2,500 (USD). The goods attract import duty of 20%, excise duty of 25%, VAT 18% withholding tax 6% (given exchange rate of dollars is Shs. 3,000)

a) Compute

i) Import duty

ii) Excise Duty

iii) VAT

iv) Withholding tax

b) Given that the business employs Opio, Ben, Mukisa Andrew and Muganga Alex who earn Shs 12,500,000, Shs. 395,000 respectively

Below are the Rates

Income Bracket	Tax liability
0-250,000	NIL
235,000-335,000	10% of that exceeds shs. 235,000
335,000-410,000	Shs. 10,000 plus 20% of the amount that exceeds shs. 335,000

Above 410,000	a) shs 25000 plus 30% of income that exceeds shs 410,000 b) Any income that exceeds shs 10,000,000 is charged an extra tax rate of 10%
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i) Compute PAYE for;

a) Opio Ben

b) Mukisa Andrew

iii) Mugisha Alex

ii) Illustration below shows the various stages that were involved in the distribution of goods

Stage	Activity	Purchase Price (Shs)	Selling Price (shs)	VAT 18%
1	Importer at Customs	10,000,000	10,000,000	
2	Importer at local distribution	10,000,000	12,000,000	
3	Wholesaler	12,000,000	16,000,000	
4	Retailer	16,000,000	19,000,000	

i) Compute the VAT at each Stage of distribution

ii) Advise the trader on negative consequences he would face in case he fails to meet his tax obligations.

) Kaampene is the owner of 8 Rental houses in Kampala City. Room 1 and Room 2 cost shs 800,000 per room, Room 3 and 4 cost shs. 750,000 per room per month, Room 5 and room 6 cost shs. 1,000,000 per room per month while room 7 and 8 cost shs. 1,300,000 per room per month. Given that on average all tenants spent 10 months in the houses in the year 2015

(i) Calculate Kasampene's annual rental annual income

(ii) Calculate his annual rental tax payable in the year 2015

(b) Kintu is an importer of machinery and cars from Japan. In the month of May 2016, he imported cars worth (USD) 3,500 and in Uganda, it was subjected to an import duty of 25%, excise duty of 50%, Value added tax of 18%, 20 % environmental levy and 6% with holding tax.

- i) Calculate the Value Added Tax payable
 - ii) Compute the total taxes payable to URA.
- c) Kiku exported glass in different sizes and grades in May 2016 as follow

Grade	Size	Area	Tax Rate
I	30 X 60	1,800	\$ 0.10
II	40 X 70	2,800	\$0.15
III	20 X 50	1,000	\$ 0.20
IV	40 X 80	3,200	\$ 0.35

Given that the exchange rate for exports is shs 2,500 per dollar, calculate the export duty payable by Kiku to URA.

Question 25

Kyagulanyi and sons ltd deals in the importation resell and sometimes export of sugar. During the month of December 2011, the company imported 1,000 bags of sugar from UAE of 50kgs per bag. The cost of the sugar was USD 35,714. The cost of transporting sugar from UAE to Mombasa was USD 4,000 and insurance costs of USD 400 from Dubai to Mombasa, Kenya and USD 200 from Mombasa to Kampala. The import rates of sugar were as follows

- ✓ Import duty – 75%
- ✓ Excise duty shs 25 per kg
- ✓ VAT – 18%
- ✓ Withholding tax – 6%. The company is exempted from WHT 6% on imports
- ✓ URA imports exchange rate for December 2011 was 1USD = 2,800 Uganda shillings

Tax is computed based on cost, insurance and freight (CIF) value. The freight value considered is up to Mombasa.

Required:

- a) Using the above information, compute the tax payable by Kyagulanyi and sons ltd to URA customs
- b) Uganda is a member of the East African community customs Union and common market. Currently, goods produced within any member state enjoy 0% import duty rate on importation. Suppose the sugar is imported by Kyagulanyi and sons limited was manufactured in Kenya, compute the tax that would be paid by Kyagulanyi and sons ltd on importation

QUESTION 26

Assuming Adyebo imports soda from south Africa at C.F.F value US dollar 1000 attracting 25%,**import** duty,60% excise duty, VAT of 18% and withholding tax 6%.The exchange rate is Ug shs.2500shillings.

Required:-Compute all the relevant taxes.

The following tax payers provided you with their annual taxable incomes and annual taxes.

Tax payer	Annual taxable income (Shs)	Tax paid (Shs.)
Tajiri	177,000,000	10,620,000
Masikini	142,600,000	8,496,000

Required to compute each tax payer's tax rate.

Unique Enterprises Ltd had the following VAT inclusive transactions with other VAT registered businesses in a given month.

Product	Purchases (Shs.)	Sales(Shs)
Shoes	29,500,000	47,200,000
Clothes	70,800,000	106,200,000

Required to compute the following :

- i. VAT paid on each product for the month.
 - ii. Total VAT the enterprise paid to URA for the products.
 - iii. Sales value of clothes (VAT exclusive)
- a) The following VAT exclusive transactions were carried out by VAT registered business at various stages of various stages of distributions for the month of May 2020.
- I. Super traders bought goods worth Shs. 9,000,000.
 - II. Supers traders sold all the goods to Ben for Shs. 14,000,000.
 - III. Ben sold the same goods to Joy, a retailer at Shs. 20,000,000.
 - IV. Joy sold all the goods to a final consumer at Shs. 28,000,000.

Required :

Using a VAT rate of 18%,

- i. Calculate VAT chargeable at each stage.

- ii. Determine the gross sales value the consumer paid for the goods.

3. a) Nkooye Ruth earned the following incomes from various sources during the year 2021

Property income	Shs. 1,200,000
Employment income	Shs. 2,400,000
Business income	Shs. 1,600,000

In addition, she incurred total Expenses and losses of shs. 500,000 while income of shs. 200,000 is tax exempt.

Her income lies in the chargeable income tax bracket shown below

Annual chargeable income	Rate of Tax
Exceeding shs. 4,020,000 but not exceeding shs. 4,920,000	Shs. 120,000 plus 20% of the amount by which chargeable income exceeds. Shs. 4,020,000

Calculate;

- i. Gross income (4marks)
- ii. Chargeable income of the year (3 marks)
- iii. Monthly income tax (3 marks)

b) Ebenezer Enterprises imported a car from Japan at a CIF value of \$ 6,500. The car attracts an import duty of 25%, withholding tax of 6%

Given that exchange rate at the time of importation is 1 US \$ to Ug. 3,500.

Determine;

- i. Excise Duty
- ii. VAT
- iii. Total tax payable
- iv. Gross value of the car inclusive all taxes.

c) Advise the Business on the dangers of tax evasion

3. a) Nkooye Ruth earned the following incomes from various sources during the year 2021

Property income	Shs. 1,200,000
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Her income lies in the chargeable income tax bracket shown below

Annual chargeable income	Rate of Tax
Exceeding shs. 4,020,000 but not exceeding shs. 4,920,000	Shs. 120,000 plus 20% of the amount by which chargeable income exceeds. Shs. 4,020,000

Calculate;

- vii.** Gross income (4marks)
- viii.** Chargeable income of the year (3 marks)
- ix.** Monthly income tax (3 marks)

b) Ebenezer Enterprises imported a car from Japan at a CIF value of \$ 6,500. The car attracts an import duty of 25%, withholding tax of 6%

Given that exchange rate at the time of importation is 1 US \$ to Ug. 3,500.

Determine;

- ix. Excise Duty (3marks)
- x. VAT (3marks)
- xi. Total tax payable (3marks)
- xii. Gross value of the car inclusive all taxes. (3marks)

c) Advise the Business on the dangers of tax evasion

MAKE YOUR SELF A NATIONAL COMPETITOR BUT NOT APATICIPANT.