

P230/2
Entrepreneurship
Education
Paper 2
July /August 2024
3 hours



KAYUNGA SECONDARY SCHOOLS EXAMINATIONS COMMITTEE (KASSEC)
JOINT MOCK EXAMINATION 2024

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP EDUCATION

PAPER 2

3 HOURS

INSTRUCTIONS TO CANDIDATES.

- Answer only **Four** questions.
- Credit will be given for the use of relevant examples and illustrations.
- Any additional question(s) answered will not be marked.

Turn over

1. You and other four friends have contributed shs. 5,000,000 to start a plastic recycling factory.
 - (a) Develop a financial plan. **(7marks)**
 - (b) Present guidelines for selecting machines for the factory. **(6marks)**
 - (c) Design a stock requisition form to be used by the business. **(6marks)**
 - (d) Write a termination letter to an incompetent cashier for your project. **(6marks)**

2. You are in a business dealing in mushroom growing amidst stiff competition.
 - (a) Develop a marketing flow chart for the business. **(6marks)**
 - (b) Draft policy guidelines for presenting your business products to your customers. **(6marks)**
 - (c) Having been joined by one other partner, the business has been transformed into a partnership. Develop a partnership agreement to govern your operations. **(7 marks)**
 - (d) Prepare policy guidelines for managing time in your business. **(6marks)**

3. You are a new entrepreneur in your locality operating a powerful juice processing project.
 - (a) Write down guidelines to foster innovation in your project. **(5marks)**
 - (b) Prepare an induction programme for new employees in the project. **(8marks)**
 - (c) Prepare an implementation plan for your project. **(6 marks)**
 - (d) Design a personal identification card. **(6marks)**

4. The following are the monthly salaries of four (4) workers of K.C.C.A;

Mulyagonja Harimah	shs. 200,000
Masombira Dennis	shs. 284,000
Walukaga Moses	shs 820,000
Waligo Abraham	shs. 11,000,000

Each employee receives 10% and 5% as housing and medical allowances respectively. The following table is for chargeable monthly tax rates.

No	Monthly chargeable income	Rate of tax
1	Not exceeding shs 235,000	Nil (zero)
2	Exceeding shs 235,000 but not exceeding shs 335,000	10% of the amount by which chargeable income exceeds shs .235,000

3	Exceeding shs 335,000 but not exceeding shs 410,000	Shs. 10,000 plus 20% of the amount by which chargeable income exceeds shs. 335,000.
4	Exceeding shs 410,000	<p>(a) shs. 25,000 plus 30% of the amount by which chargeable income exceeds shs. 410,000.</p> <p>(b) Where chargeable income exceeds shs. 10,000,000 an additional 10% is chargeable on incomes exceeding shs.10,000,000</p>

- (a) Compute the PAYE paid by:-
- (i) Mulyagonja Harimah (4marks)
 - (ii) Masombira Dennis (4marks)
 - (iii) Walukaga Moses (4marks)
 - (iv) Waliggo Abraham (4marks)

- (b) Below is a table presenting a chain of distribution of goods from importers to the final consumer.

The values are VAT exclusive.

STAGES	ACTIVITY	PURCHASE PRICE (SHS)	SELLING PRICE (SHS)	VAT 18%
I	Importers at customs		2,000,000	
II	Local distributor	2,000,000	2,400,000	
III	Whole saler	2,400,000	2,900,000	
IV	Retailer	2,900,000	3,500,000	
V	consumer	3,500,000		

Required:

Compute;

- (i) The tax payable at each stage of distribution. (5marks)
- (ii) The total amount of tax paid by the consumer. (02marks)
- (iii) Consumer purchase price inclusive of VAT. (2marks)

5. The following balances were extracted from the books of Gamusengejja Enterprises at the end of 2023.

Details	Shs "000"
Turnover	160,000
Net purchases	84,000
Accounts receivable	7,000
Accounts payable	5,800
Stock (1/1/2023)	3,600
Stock (31/12/2023)	4,200
Total operating expenditure	12,000
Non-current assets	14,400
Owner's equity	48,000
Bank	3,200
Cash	1,000
Outstanding rent income	2,400
Accrued electricity	2,000
Interest on loan expense	1,200
Bank loan	4,000

Required

- (a) Compute the following ratios:-
- (i) Profit mark up (3marks)
 - (ii) Margin (3marks)
 - (iii) Net profit ratio (3marks)
- (b) Compute and interpret the following ratios:-
- (i) Credit payment period in weeks. (4marks)
 - (ii) Return on equity (4marks)
 - (iii) Inventory turnover ratio (4marks)
 - (iv) Stock turnover period (4marks)
6. You plan to establish a cooking oil factory in an area with plenty of raw materials
- (a) Write the business.
 - (i) Mission (2marks)
 - (ii) Goals (2marks)
 - (b) Draft the code of conduct to be observed by your employees to ensure discipline. (6marks)
 - (c) Produce a marketing plan for the business. (5marks)
 - (d) Advertise the tender for the supply of raw materials to the factory (5marks)
 - (e) Design a brand label to be placed on a one litre packet packaging material. (5marks)

END