

P230/2
ENTREPRENEURSHIP
EDUCATION

Paper 2
July/August 2024
3 hours



MASAKA DIOCESAN EXAMINATIONS BOARD

Uganda Advanced Certificate of Education

JOINT MOCK EXAMINATIONS 2024

ENTREPRENEURSHIP EDUCATION

3 hours

INSTRUCTIONS TO CANDIDATES:

Answer any four questions.

All questions carry equal marks.

Credit will be given for use of relevant diagrams and illustrations.

*Any additional question(s) answered will **not** be marked.*

1. You own a small-scale restaurant but due to the growth of the market for your services, you are in the process of upgrading it to meet the demands of your customers.
 - (a) Design a customer opinion form to be used for collecting data. (06 marks)
 - (b) Develop a news paper advert for the post of a chef for effective management of the new innovation. (07 marks)
 - (c) Formulate guidelines to enhance entrepreneurial skills in your business. (06 marks)
 - (d) Draft guidelines followed to ensure acceptable hygiene in the restaurant. (06 marks)

2. You are engaged in bee keeping and honey processing in your locality whose market is promising.
 - (a) Present a supply chart for your products. (05 marks)
 - (b) Write guidelines for presenting business products by sales persons. (06 marks)
 - (c) Having been joined by one other partner, the business has been transformed into a partnership. Draft contents of a partnership deed to regulate the conduct of your business. (08 marks)
 - (d) Prepare a marketing plan for your products. (06 marks)

3. The following projections relate to the business of KATUPAKASE wholesalers for the months of January, February and March 2022.
 - i) Cash purchases per month expected to be shs 4,000,000 but this is expected to increase by 20% starting in March 2022.
 - ii) Monthly projected cash sales to be shs 8,000,000 and this is expected to increase by 10% monthly. Credit sales for each month amounted to shs 6,000,000. Debtors will be expected to pay 60% in the month of sale and the balance in the following months.
 - iii) Payment of pre-operating expenses in the first month was projected at shs. 600,000. Start up assets worth shs. 5,000,000 are to be bought 80% payments will be made in January and the balance in the following month.
 - iv) The business planned to start operating on 1st January 2022 with cash of shs 6,000,000.
 - v) The business planned to donate 50kgs of sugar worth shs 240,000 to a group of elderly people in the community monthly.

- vi) A three (3) months bank loan of shs 900,000 is to be obtained in February at a monthly interest rate of 2% on reducing balance. The principal installments and interest to be paid starting in the month of loan acquisition.
- vii) A 100kgs of sugar worth shs. 480,000 to be taken monthly for personal use.
- viii) Machine worth shs. 1,700,000 to be purchased in January, under the following terms. Shs. 1,000,000 to be paid in the last month. The machine is to depreciate at a rate of 10% Pa.
- ix) The business bus for hire brings in shs. 3,000,000 per month.
- x) Monthly salaries for workers are projected at shs. 2,000,000

Required:

- (a) Prepare the cash flow statement of Katupakase wholesalers for three months.
(20 marks)
- (b) Basing on the net cash position, advise Katupakase wholesalers on how to manage the situation.
(05 marks)

4. You are operating a juice processing business in your home town and you are planning to introduce a new product on market.

- (a) Write a letter to the UNBS requesting them to approve and provide a stamp of quality assurance for the newly introduced products. (06 marks)
- (b) Design a brand label that will be fixed on the packaging material of the new product. (05 marks)
- (c) Prepare a purchasing plan for the raw materials for your business. (07 marks)
- (d) Having obtained a loan of shs 10,000,000 for business expansion which attracted 10% monthly interest rate payable in five equal installments in the next five months, prepare a loan repayment schedule on reducing balance method.
(07 marks)

5. The following information was obtained from the books of Kanyike Jackson an entrepreneur in Kyotera town as at 31 December 2022. Use it to answer the questions that follow.

Details	Amount (Shs)
Turnover	90,000,000
Purchases	60,000,000
Stock 1 st Jan.	5,000,000
Stock 31 Dec.	7,000,000
Trade expenses before tax	27,000,000
Creditors	8,000,000
Debtors	15,000,000
Capital	86,000,000
Fixed assets	50,000,000
Bank loan	40,000,000
Interest on loan	4,000,000
Bank balance	8,000,000
Cash balance	2,000,000

- (a) Compute the following ratios

- i) Profit mark-up (03 marks)
- ii) Stock turnover ratio (03 marks)
- iii) Net profit ratio (03 marks)
- iv) Working capital ratio (03 marks)
- v) Debtors' turnover ratio (03 marks)
- vi) Cash ratio (03 marks)
- vii) Interest cover ratio (03 marks)

- (b) Using the answers obtained in (a) (vi) and (vii) above interpret the results. (14 marks)

6. You own a large hardware shop which offers a variety of products to the community in your locality.

- (a) Write guidelines followed to ensure proper cash management in your enterprise. (07 marks)
- (b) Make a programme you are to follow when establishing the profitability of your business. (06 marks)
- (c) Draft a marketing budget of shs. 20,000,000 for your business. (06 marks)
- (d) Design a stock requisition form for your business. (06 marks)

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