

ENTREPRENEURSHIP A- LEVEL GRAND SEMINAR AT BUDDO S.S SCHEDULED ON 1st/10/2022.

SECTION A

- 1a) i) Mention any 4 **managerial skills possessed by** an entrepreneur.
ii) State any 3 **relevancies** of maintaining business ethics.
- b. i) State any 4 circumstances under which goods may be **sold on credit**.
ii) State any 2 challenges faced when selling goods on credit.
- c. i) Define the term **negotiation**.
ii) State any four attributes of **a good negotiator**.
- d) Give any two characteristics of **entrepreneurial environment**.
ii) Mention any three **global factors** that influence entrepreneurial environment.
- e) Mention any reasons for the **popularity of self-employment** in Uganda.
- f) State any two causes for wage differentials.

SECTION B

- 2. a) Describe the **laws** that help to develop a lucrative and effective **personal brand**.
b) What is the significance of developing **a personal brand** in a business?
- 3. a) Explain the components of **a business plan**.
b) Why may an entrepreneur prepare **a business plan**?
- 4. a) Examine the **role of competition** in the business.
b) Explain the factors considered when **evaluating business competition**.
- 5. a) Explain the indicators of **a satisfied customer** of a business.
b) Explain the various **forms of distribution channel** used by entrepreneurs.
c) Describe the **marketing decision areas** considered when preparing a marketing programme.
- 6. a) Explain the factors affecting **women participation** in entrepreneurship.
b) What measures are being taken by the government of Uganda to **promote women participation in entrepreneurship**?
- 7. a) Explain the **responsibilities of human resources manager** in an enterprise.
b) How can a human resource manager reduce **labour turnover** in a business.
- 8. a) Why are **indirect taxes** preferred to **direct taxes**?
b) Assess the impact of taxation on **entrepreneurial activities**.
c) Advise the government on the measures that can be taken to **promote tax compliance**.

9. a) Describe the **stages of product life cycle**.
- b) What are the **impacts of poor time management** when carrying out production activities?
- c) Examine the strategies required for **effective time management** in an enterprise.
10. a) Explain the characteristics of **a good business opportunity**.
- b) Describe the procedure of **turning a business idea into a product**.

PAPER 2

1. **You have a loan of shs 8,000,000 to start your restaurant business to be repaid in equal 4 monthly instalments at an annual interest rate of 12%.**
 - a) Design a **loan repayment schedule** using reducing balance method.
 - b) Prepare **monthly payroll** for five employees whose monthly basic **pay** is shs 400,000 and with monthly allowances of **5%** and **2%** for housing and transport respectively with monthly tax payment of **10,000** shillings.
 - c) Design **questionnaire** to be used when carrying out a market survey.
 - d) Develop the guidelines to be followed to ensure provision of quality foods.
 - e) Develop **recruitment program** to be followed when recruiting business employees.
2. **You are the General Manager KUTAMA Bakery in Kayunga District and you have got a contract to supply bakery products to Opera Super Market.**
 - a) Prepare **an inquiry** to be sent to your supplier of raw materials.
 - b) Formulate **the terms and conditions to be included in a contract**.
 - c) Describe an **organizational plan** for the business.
 - d) Draw **a marketing flow chart** for the business.
 - e) You have decided to **resign from your work** due to some reasons, write a **resignation letter**.
3. **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)**

4. (a) JJ also has 23 apartments in Mbarara City owned and managed by his brother Tonny. For the period ended 30 September 2021, SHL recorded the following transactions relating to the real estate business:

- i. Monthly rental collection of Shs 1.5 million from each apartment. Tonny is servicing a loan which was used to construct the apartments. During the year, he paid Shs 16.8 million of which 14% was Interest payment on the loan.

Additional Information:

Security and cleaning costs are paid for by the tenants' shs 400,000 each.

Required:

Determine SHL's rental income and tax liability for the period.

- (b)** Joy and Joy Company Limited employs several people in its mineral water factory. The employees earn and receive varying salaries and benefits. The company has been in operation for 5 months and has never submitted any tax returns. The payroll for Joy and Joy Company Limited for one month is provided below:

Employee	Monthly salary	Car allowance	Housing allowance
	Shs '000'	Shs '000'	Shs '000'
Joy	560	70	50
Happy	430	50	20
Hope	360	30	60
Faith	15,000	30	30

Required:

Compute the:

Total PAYE payable to the URA for the five months the company has been in operation. (All workings must be shown).

Chargeable (monthly) income

Chargeable monthly Income (shs)	Tax rate (shs)
0 – 235,000	Nil
235,001 – 335,000	10% of the amount by which chargeable income exceeds shs 235,000
335,001 – 410,000	Shs 10,000 plus 20% of the amount by which chargeable income exceeds shs 335,000
410,000 and above	(A) Shs 25,000 plus 30% of the amount by which chargeable income exceeds shs 410,000
	(B) where the chargeable income of an individual exceeds shs 10,000,000 an additional 10% is charged on the amount by which chargeable income exceeds shs 10,000,000

(c) The following VAT exclusive transactions were carried out by a VAT registered business in Feb 2016 at different chains of distributions.

- Beguma bought good worth shs 9,000,000
- Beguma sold all goods to Molly for shs 11,000,000
- Molly sold the same goods to Joel for shs 14,000,000
- Joel a retailer sold the same goods to the final consumer for shs 19,000,000

Calculate the VAT chargeable at each stage using the current VAT rate of 18%

(d) State any five types of taxes paid by trading businesses.

5. You have mobilized savings worth 10,000,000 in a metal fabrication project.

- Develop a **job advert** for the **post of security guard** for the project.
- Design a plan for **recovering money from debtors**.
- Formulate guidelines for managing **workers' discipline**.
- Present a **budget** for your business.
- Present a training workshop sensitizing your employees on the ways to **handle difficult customers**.

6. The information below was extracted from records of Kikuubo Enterprises Ltd. as at 30/06/2022

TRIAL BALANCE AS AT 30/06/22

DETAILS	DR (000) Shs	CR (000) Shs
Sales		300,000
Purchases	90,000	
Returns	1,500	200
Discount	10,000	1,500
Machinery	25,000	
Rent	10,000	
Motor van	15,000	
Bad debts	10,000	
Debtors and creditors	6,000	4,000
Motor expenses	21,000	
Bank	136,800	
Cash	105,200	
Stock (1/7/2021)	100,900	
Carriage on purchases	1,000	
Bank loan (5 years)		6,000
Debentures		5,300
Capital		215,400

Total	532,400	532,400
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Additional information

1. Stock on 30/06/22 was valued at shs. 1,800,000
2. Provision for bad debts to be adjusted at a rate of 5% on debtors.
3. Depreciation on machinery and motor vehicle at 5% and 10% respectively.

a) calculate:

- i. Cost of sales
- ii. Net profit ratio
- iii. Total fixed capital
- iv. Mark up
- v. Margin
- vi. Inventory velocity ratio
- vii. Economy on expense ratio

b) Compute and interpret

- i. debtors turnover period
- ii. debt to equity ratio
- iii. cash ratio
- iv. Rate of return on capital employed.

PAPER 3

1. Read the case study below and answer the questions that follow:

Mr. Kamyia, a graduate of Uganda Technical College (UTC), completed his training in diploma in building and construction engineering in 2012. From the time he joined UTC, the highly motivated and action oriented Kamyia was determined to start his own business of consultancy in building and construction, and also operate a hardware shop. He formulated concrete and moderate goals based on his abilities and efforts.

Before developing the business idea, Mr. Kamyia convinced himself of his strong internal involvement with the goals and personal responsibility of the outcome. He was satisfied with his skills, interest, and the amount of personal capital he can raise. He analyzed the business environment to create opportunities, sought advice from entrepreneurs in similar business and learnt from feedback to see if right methods were used and right goals were set.

Mr. Kamyia has set up the business in Kiyembe market –Nakasero in Kampala. The ground level of the building houses the hardware shop while the upper level is for the consultancy office. The business is run under the name modern building and construction center. To protect the business against any risks and to be compensated by the insurance company in the event of the insured risk happening, Mr. Kamyia has insured the business.

He has instructed his sales representatives to strictly sell on cash basis to retailers and wholesalers who benefit from 10% discount.

Questions:

- a) What behavioral characteristics associated with strong need for achievement does kamyia have?
- b) Describe the basic steps kamyia could have followed when taking out the insurance policy.
- c) Advice the entrepreneur on the factors considered when selecting business location.

- d) What benefits are enjoyed by modern building and construction center for selling goods on cash basis?
- e) Give the lessons anyone can learn from the case study.

SECTION B

BUSINESS CLUB

2. In reference to your business project operated at school.

- a) Describe the nature of the business.
- b) What techniques did the business use to minimize its operating expenses?
- c) How relevant was the project to the community?
- d) How did you minimize the accidents during production?

3. In reference to the business project operated at school.

- a) State the **mission and vision statement** of your project.
- b) How did you foster **innovation**?
- c) Explain any five tools of **written communication** you used during communication.
- d) What measures were employed by your business project to ensure the **control of cash flow**?
- e) What techniques were used by your business project to manage the **accounts receivable**?

SECTION C

FIELD TRIP/ ATTACHMENT.

4. In reference to any business you were attached to.

- a) Give the **general description** of the business.
- b) Describe the marketing activities.
- c) Explain the ways through which **employee welfare** is promoted.
- d) Explain the factors that may lead to **employee termination** at the business visited.

5. In reference to any business visited.

- a) i) Describe the nature of the business visited.
 - ii) State any **two objectives** for conducting a field visit.
 - iii) State any two **lessons learnt** from the field visit conducted.
- b) How does the business visited **promote security**?
- c) How does the business visited **minimize losses**?
- d) Examine the **social responsibility** of the business visited.
- e) i) Advise the owner of the business visited on the challenges of owning **a family business**.
 - ii) How does the business visited maintain proper hygiene and cleanliness of the work place.

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