

P230/2
ENTREPRENEURSHIP
Paper 2
July 2024
3 hours



ACEITEKA JOINT MOCK EXAMINATIONS 2024

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP

Paper Two

Time: 3 hours

INSTRUCTIONS:

- *Answer four questions only.*
- *All questions carry equal marks.*
- *Any additional question(s) answered will not be marked.*

1. You are operating a small scale tea processing project.
 - (a) Draw a programme for taking an insurance policy for your business property. (07mks)
 - (b) Develop guidelines for enhancing good customer care in your business. (06mks)
 - (c) Design an advert for promoting the business products. (06mks)
 - (d) Write a bid notice for the supply of three business vehicles. (06mks)
2. The following balances were extracted from PAPA's books of accounts on 31.12.2023.

	Shs (000)
Net sales	20,000
Net purchases	11,000
Goods available for sale	16,000
Stock (01.01.2023)	5,000
Stock (31.12.2023)	4,000
Total operating expenses	6,000
Total fixed assets	8,000
Debtors	1,500
Creditors	3,000
Cash	900
Outstanding rent	1,000
Bank	1,600

Required:

Calculate and interpret;

- (i) Inventory turnover ratio. (05mks)
 - (ii) Credit payment period in weeks (04mks)
 - (iii) Rate of return on capital employed. (04mks)
 - (iv) Stock turnover. (04mks)
 - (v) Cash ratio. (04mks)
 - (vi) Gross profit mark-up (04mks)
3. Your metal fabrication plant has been facing reduction in sales mainly due to decline in the quality of your products.
 - (a) Formulate quality policy guidelines for the business. (07mks)
 - (b) Present an organizational plan for your business. (07mks)
 - (c) Draft a marketing expenses budget for the business. (06mks)
 - (d) Design a delivery note for use in your business. (05mks)

4. You are the owner of a poultry farm that attracts a large number of daily customers.
 - (a) Design a market survey guide for the business. (06mks)
 - (b) Prepare a price list for the products to be offered by your business. (06mks)
 - (c) Make a daily distribution schedule for your products. (07mks)
 - (d) How will the business benefit the community? (06mks)

5. You are running a company that specializes in compound designing and cleaning.
 - (a) Draw a plan for training new employees of the business. (07mks)
 - (b) Write a letter inviting a technician to service company machines, tools and equipment. (07mks)
 - (c) Develop a policy for selection of company machinery. (07mks)
 - (d) Design a stock requisition form for accessing tools from your store. (06mks)

6. The following projections belong to **ALAKARA RESTAURANT** for the months of **May, June and July 2022**.
 - (i) The business expects to obtain a bank loan of Shs. 4,000,000 from United Bank in June.
 - (ii) Monthly projected cash sales to be shs. 10,000,000; and this is expected to increase monthly by 10% while credit sales for April projected to amount to shs. 8,000,000. Credit sales are projected to increase monthly by 10%. Payments for each month's credit sales are expected in the next month.
 - (iii) The business is expected to invest more cash of shs. 2,000,000 in June and shs. 1,000,000 in July.
 - (iv) Commission income for April projected at shs. 5,000,000, but this will decrease monthly by 20%.
 - (v) The business had a net cash balance of shs. 850,000 on the 30th April 2022.
 - (vi) The business hopes to buy a cooker at shs. 16,000,000 on the first day of the first month paying 50% cash in the same month. The balance to be paid in the following months in the ratio of 3:2 respectively.
 - (vii) Cash purchases are expected to be twice each month's cash sales. Monthly credit purchases projected at shs. 4,000,000; 50% payment will be made to the creditors in the month of purchase and the remaining balance in the next month.

- (viii) Monthly loan interest of shs. 100,000 to be paid starting in June while the whole bank loan is to be paid on the 30th July 2022.
- (ix) Sales commission of 10% is to be paid to sales workers from each month's cash sales.
- (x) The business hopes to train community members in May and expects to earn cash of shs. 5,100,000.
- (xi) The business plans to donate food worth shs. 1,000,000 monthly to the community.
- (xii) Salary payments projected to be shs. 5,000,000, shs. 4,750,000 and shs. 5,200,000 in the respective months of May to July.

Required;

- (a) Prepare the cash flow statement of the restaurant for the three months. (22mks)
- (b) Comment on the net cash position of the business. (03mks)

END