

# WAKISSHA JOINT MOCK EXAMINATIONS MARKING GUIDE

Uganda Advanced Certificate of Education  
ENTREPRENEURSHIP EDUCATION P230/2  
July/August 2023



1. (a) Design a cash sale slip.

- Business Name and Address.
- Business Logo
- Date: *provision for date*
- Document name and Number.
- *Doc No*
- *Recess name & address*

Item	Quantity	Description	Rate Shs.	Amount Shs.

- Payment mode

- Prepared by

Sign \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Approved by

Sign \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

N.B: Name and Address 1 mark

Any other 10 x 1/2 = 5 marks

= 05 marks

(b) Prepare an operational budget.

Name and address

Document Name.

Details	Shs	Shs	Shs
Projected sales			XXXX ✓
Less projected cost of sales			
Animal treatment <i>Project, Veterinary</i>			XXXX
Purchases of feeds <i>immediate</i>			XXXX ✓
Estimated Gross profit			XXXX ✓
Less estimated expenses			
Fuel			XXXX
Salaries and wages			XXXX ✓
Total			XXXX
Projected Net profit			XXXX ✓

(c) Draft a daily work order schedule for the business.

- Business Name and address.

- Document Name.

Time From To	Work order	Customer Client	Employee Identity	Supervisor	Remarks
Fill	Fill	Fill	Fill	Fill	Don't Fill

Prepared by

Sign .....

Approved by

Sign .....

Name .....  
Title.....

Name .....  
Title.....

Title..... 01 mark  
Work order .... 3 x 1 = 03 marks  
Any other 4 x 1 = 04  
06 marks

(d) Present policy guidelines for enhancing employee creativity.

- Title (Name and address) *title.*
- Document Name. *Document Name.*
- Employees shall think beyond visible frame work that surround the problem.
- Employees shall recognize assumptions being made and challenge them.
- Employees shall adopt ideas from more than one source.
- Employees transfer technology from one field to another.
- Employees shall be prepared to use unpredictable events to their advantage.
- Employees shall improve on their imaginative thinking.
- Shall suspend judgments to encourage the creative process and avoid pre-mature criticism. *be trained*
- Employees shall know when to leave a problem.
- Shall tolerate ambiguity and occasionally live with out doubt and uncertainty.

*Stimulating creativity in every employee. Employees shall draw experiences from the individuals. Shall note down thoughts that drop in mind.*

Title - 01 marks

Any 6 x 1 - 6 marks

07 marks

2. (a) (i) Sales at cost = Opening stock + Net purchases - closing stock.  
But Net purchases = purchases + carriage on purchases returns.  
= 30,500,000 + 100,000 - 600,000  
= Shs 30,000,000.

Therefore

$$\text{sales at cost} = 10,000,000 + 30,000,000 - 1,100,000$$
$$= \underline{\text{Shs 38,900,000}}$$

- (ii) Gross profit = Net sales - cost of sales  
But Net sales = Sales - Sales Returns  
= 48,000,000 - 500,000  
= Shs 47,500,000

Therefore

$$\text{Gross profit} = 47,500,000 - 38,900,000$$
$$= \underline{\text{8,600,000}}$$

- (iii) Salaries and wages ratio =  $\frac{\text{Salaries \& Wages}}{\text{net sales}} \times 100$

*Salaries & wages*

*Net sales*

*Salaries & wages - prepaid*

*Net sales*

$$= \frac{2,000,000}{38,900,000} \times 100$$

$$= 0.5\% \text{ or } 0.14\%$$

*prepaid salary & wages*

$$= \frac{1,700,000}{47,500,000} \times 100$$

$$= 3.57\%$$

$$= 3.6\%$$

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*Acting as*



(iv) Capital employed = Fixed Assets + working capital ✓ ml  
 But Fixed Assets = Buildings + (Furniture - depreciation)  
 = 40,000,000 + (13,000,000 - 1,300,000)  
 = 40,000,000 + 11,700,000  
 = Shs 51,700,000

Working capital = current Assets - current Liabilities

Current assets = Closing stock + debtors + cash in hand + prepaid salaries  
 + commission due.  
*Inventories + accounts receivable + pre-salary*  
 = 1,100,000 + 9,000,000 + 8,000,000 + 3,000,000  
 + 200,000.

= Shs. 18,600,000

Current liabilities = Creditors + bank overdraft  
 = 4,300,000 + 6,000,000  
 = 10,300,000  
*Accounts payable + Bank overdraft*

Working Capital = 18,600,000 - 10,300,000  
 = 8,300,000

Capital employed = 51,700,000 + 8300,000 ✓ ml  
 = Shs 60,000,000 ✓ ml

(v) Average collection period in days.  
 =  $\frac{\text{Accounts receivable}}{\text{Net sales}} \times \text{Numbers of days in a year.}$  ✓ ml  
*debtors*

=  $\frac{9,000,000}{47,500,000} \times 365$  ✓ ml  
 = 69.15 days  $\cong 69 \text{ days}$  ✓ ml

(b) To Compute and interpret

(i) Stock holding period =  $\frac{\text{Average stock}}{\text{Cost of sales}} \times \text{Number of days in a year.}$  ✓ ml

But average stock =  $\frac{\text{Opening stock} + \text{Closing stock}}{2}$   
 =  $\frac{10,000,000 + 1,100,000}{2}$   
 = Shs 5,550,000

Stock holding period =  $\frac{5,550,000}{38,900,000} \times 365$  ✓ ml  
 = 52 days ✓ ml

Interpretation: Stock was held for 52 days before selling and replacing. ✓ 1

OR

The business sells and replaces stock after 52 days in a financial year. ✓ ml

1/2 Absolute Liquid Assets X 100

Curr. Liab

800,000 X 100  
10,300,000

77%

(ii) Cash ratio =  $\frac{\text{Absolute Liquid Assets}}{\text{Current Liabilities}}$

=  $\frac{8,000,000}{10,300,000}$

= 0.77:1 or 0.77

Interpretation

The business Absolute liquid Assets are 0.77 times the value of the current Liabilities.

OR

The business absolute liquid Assets can cover its current Liabilities 0.77 times in a financial year.

(iii) Net worth to total assets ratio. =  $\frac{\text{Net worth}}{\text{Total Assets}}$

But net worth = (Capital + Net profit)

= 54,820,000 + 5,180,000

= 60,000,000

Total Assets = 70,300,000

Substitution =  $\frac{60,000,000}{70,300,000}$

= 0.85:1 or 85%

Interpretation : The business Net worth is 0.85 times the value of the Total Assets.

OR

For every 100 shillings of business Total Assets, owners equity contributed 85 shillings.

3. (a) Name and Address

Loan Repayment schedule

Borrower's address/name

To.....

Loan Amount.....

Loan source.....

Interest .....

Method.....

Installment .....

Installment period	Principal (shs)	Interest (shs)	Total amount (shs)	Balance (shs)
I	4,000,000	2,000,000	6,000,000	16,000,000
II	4,000,000	1,600,000	5,600,000	12,000,000
III	4,000,000	1,200,000	5,200,000	8,000,000
IV	4,000,000	800,000	4,800,000	4,000,000
V	4,000,000	400,000	4,400,000	-
Total	20,000,000	6,000,000	26,000,000	-

Prepared by  
Fill

Approved by  
Blank

Borrower's

Sign  
Name  
Title

(07marks)



- (b) - Interest shall be paid on ..... method
- Title (name and address plus documents identity)
  - Loans shall be issued at an interest of 10%..... Per annum.
  - Loan repayment period shall not exceed 24 months / 2 years... *shall be within*
  - Loans shall be offered to clients with an insurance life cover from.....
  - Loans shall be offered to clients with at least 2 reputable / reliable guaranters
  - Loans shall be offered to clients with valuable collateral / security above the loan.
  - loans shall be offered to only SACCO members i.e fully subscribed members.
  - Loans shall be offered to those with proper identifications i.e village Lc, IDs, ....
- etc
- Loan processing fees shall be \$hs ..... *Title - 01mk*
- Loans shall be authorized only by ..... *Any - 6 x 1*
- Barometers who fail to pay within a specified period shall pay a penalty of ..... *Total - 07mks*
- Barometers shall specify the purpose of the loan *Use shall and specify.*
- (c) Name and Address
- Credit recovery program

### Activities

- Taking record of debtor-accounts
- Arranging debts according to their payment dates
- Contacting debts
- Sending polite reminders
- Collecting payments from same & updating A/c's
- Issuing statement of A/c's

Period	Activity	Person in charge / Person Responsible	Remarks / comment
Fill	<ul style="list-style-type: none"> <li>- Taking record of the amounts due.</li> <li>- Sending polite reminders suggesting dates to pay.</li> <li>- Sending strong reminders</li> <li>- Employing courts of law</li> </ul>	Fill	Don't fill

Prepared by

Fill

Sign \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Approved by

Blank

Sign \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Title - 01mark

Act - 03 x 1 (03marks)

Others - 4 x 1/2 (02 marks)

Total (06 marks)

- (d)
- providing employment opportunities to community members.
  - payment of taxes.
  - providing assistance in front of charity welfare services like loans, keeping savings etc. to the public. *from providing*
  - participating in community programmes e.g development of infrastructure, *accepting deposits*
  - providing security to the community i.e protection.
  - Providing financial advisory services to community.

- Providing market to local products like stitching
  - Acting as training ground for scholars *Research Centre*
- a. 07 + b. 07 + c. 06 + d. 05

(25 marks)



4. (a) A marketing plan should show the following.
- Title i.e. showing business name, address plus a statement  
MARKETING PLAN

- Target customers | market size |
  - Position of competitors
  - Sales target | projected sales
  - Projected marketing expenses
  - Promotion and advertising strategy
  - Products offered
  - Profit from sales over a given period
  - Projected sales over a given period of time
  - Pricing strategy
  - Terms & condition of sale
  - Distribution strategy | chain of supply
  - Plan for recruiting & motivation sales personnel
- Any 6 x 1 = 6marks  
- Use present simple tense

- (b) Strategies for winning customers acceptance and loyalty.

- Title business name, address plus the phrase strategies for winning customer loyalty. and acceptance
  - Provision of discounts i.e 10% discount shall be done.
  - Management shall provide after sale service like free delivery.
  - Advertising shall be done daily to create awareness.
  - Customers shall be given free gifts while addressing customers.
  - Displaying products attractively shall be done.
  - Attractive packaging shall be used to attractive.
  - Rewarding customers for outstanding loyalty.
  - offering after sale services
  - offering good quality
  - providing added convenience
  - offering a good attitude towards customers
- Any 6 x 1 including the Title  
6 x 1 = 6marks

- (c) A partnership deed should include

- Business name and address. plus statement partnership agreement
  - The names and address of partners shall be.....
  - The status of each partner shall be....
  - The amount of capital contributed by each partner shall be.....
  - The purpose of the partnership shall be.....
  - The Duration of the partnership shall be....
  - Books of Accounts shall be inspected by all partners.
  - Profits and Losses shall be shared equally / shall be shared in the ratio of....
  - Drawings extended to partners shall attract interest.....
  - Disputes among partners shall be solved/ arbitrated by.....
  - The partnership shall be dissolved incase.....
  - Goodwill shall be calculated as follows....
  - New partners shall be admitted
  - Existing partners shall be retired
  - Salary to active partners shall be
  - Role of each partner
  - Rights of partners
- Any 7 x 1 = 7marks  
including Title

(d) A recommendation should include,

- Business name and address.
- Date,
- Reference.
- Inside address,
- Subject line,
- Body.
- Expression of hope.
- Complementary clause.
- Carbon copy
- Enclosure

- *Salutation*  
*hope*

- *purpose, period of work with org, quality of work exhibited*  
*Re assurance*

Any 6 x 1 = 6marks

5. (a) (i) Obligations of a tax payer. *payer*

- Voluntary registration with URA.
- Filing tax returns.
- Paying the exact tax i.e right amount at the right time and place.
- Disclosing all information about the business.
- ~~Honesty~~ *Honesty*
- Using services of only licenced customs brokers.
- Cooperating with URA.
- Completing all necessary forms for tax.

*Communicating change in registration*

Any 4 x 1 = 4marks

(ii) Procedure for tax compliance

- Registration with URA.
- Obtaining a TIN
- Filing returns with URA.
- Making payments.
- *Receiving feed back / documents*
- *making appeal if any*

4 x 1 = 4mark

Suubi's income = 200,000 + 35,000 = 235,000

(b) Suubi's PAYE = NIL

Because the earnings do not exceed the tax threshold income.

(2mark)

Oplot's PAYE =

Opolot's income = 350,000 + 50,000  
= Shs 400,000

*10,000 + 20% of the excess*

Opolot's PAYE = 10,000 + 20/100 (400,000 - 335,000)  
= 10,000 + 20/100 = x 65000  
= 10,000 + 13000  
= Shs 23,000

3m:



(d) A recommendation should include,

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*- Salutation*  
*- hope*

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*- Re assurance*

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= Shs 23,000

3marks



$$\begin{aligned}\text{Juma Otti's Income} &= 900,000 + 100,000 \\ &= \text{Shs } 1,000,000\end{aligned}$$

$$\begin{aligned}\text{Juma's PAYE} &= 25000 + 30/100 (1000,000 - 410,000) \\ &= 25,000 + 30/100 \times 590,000 \\ &= 25,000 + 177,000 \\ &= \text{Shs } 202,000\end{aligned}\quad (3\text{marks})$$

$$\begin{aligned}\text{Aijuka's income} &= 11,100,000 + 100,000 \\ &= \text{Shs } 11,200,000\end{aligned}$$

$$\begin{aligned}\text{Aijuka's PAYE} &= 25000 + 30/100 (11,200,000 - 410,000) + \\ &\quad \neq 10/100 (11,200,000 - 10,000,000) \\ &= 25,000 + 3237000 + 120,000 \\ &= \text{Shs } 3,382,000\end{aligned}\quad (3\text{marks})$$

$$\begin{aligned}\text{(c) Stage I} &= \text{VAT rate} \times \text{purchases} \checkmark \\ &= 18/118 \times 6,000,000 \checkmark \\ &= \text{Shs. } 915254.23 \checkmark\end{aligned}\quad (2\text{marks})$$

$$\begin{aligned}\text{Stage II} &= \text{VAT rate (Sales - purchases)} \checkmark \\ &= 18/118 (9,000,000 - 6,000,000) \checkmark \\ &= 18/118 \times 3,000,000 \checkmark \\ &= \text{Shs. } 457627.1 \checkmark\end{aligned}\quad (2\text{marks})$$

$$\begin{aligned}\text{Stage III} &= \text{VAT rate} \times (\text{Sales} - \text{Purchases}) \checkmark \\ &= 18/118 (11,000,000 - 9,000,000) \checkmark \\ &= 18/118 \times 2,000,000 \checkmark \\ &= \text{Shs. } 305084.7 \checkmark\end{aligned}\quad (2\text{marks})$$

VAT Fraction

6. (a) Theory of change.

- Name and address *plus*
- Document Name
- Vision - *ultimate goal*
- Impact - *how it will impact on community / long term*
- Activities - *what to be done*
- Out comes - *Direct results like reducing unemployment by 5%*
- Input - *Resources to be used / funds / labour*

Name and address (title) 01mark

Any 5 x 1 = 05 marks

06marks

(b) Guidelines for ensuring sustainability.

- Title (Name and Address) Document details
- Business shall be insured.
- Community shall be involved.
- Budgets shall be prepared.
- Profits shall be re-invested.
- Diversification of resources shall be carried out.
- Continuous employee training shall be carried out.
- Massive sensitization of community shall be carried.

- Product recycling shall be carried out.
- Lobbying for finances from donors and investors shall be carried out.
- Increasing advocacy shall be carried out.
- Equal opportunities shall be provided to all members of the community.

- *Business shall be registered*
  - *Business shall observe the set rules & regulations*
  - *Democratic leadership shall be practiced*
  - *Using locally available resources*
- Title - 01 mark  
Any other - 07 marks  
**08 marks**

(c) GEPIC structure.

- Title (Name and Address and document Name:)
- G - ~~Great~~ *Greek*
- E - Engage
- P - problem
- I - Inform
- C - call for action

Any 6 x 1 = 6 marks  
*including Title*

N.B: A candidate must practically present the GEPIC not explaining it.

(d) Design a page for attendance book for trainees.

- Title* {
- Name and address
  - Document Name (attendance register).
  - Serial Number *provision for date*
  - Employee Name *Trainee name*
  - Employee Number *Trainee no*
  - Duty / responsibility
  - Time in
  - Time out
  - Signature (two (in - Out))
  - *Contacts*
  - *Dept's (type of training) / Section*
  - *Flame*

*Should be Blank.*

Name and address - 1 mark

Any other 4 x 1 = 04 marks

*Blank* 05 marks

END