**UACE P230**

**ENTREPRENEURSHIP EDUCATION SEMINAR 2022**

**PART 1: SECTION A PAPER ONE**

1. (a)There are various forms of transforming existing business resources to new ones using peoples‟ creativity

* + 1. Mention any two of these forms
    2. identify any three sources that can be tapped to achieve

it

* + 1. Outline any three traits that should be possessed by those involved in the transformation

1. To achieve full utilization of resources and economic development, there is need to instill a culture that encourages the whole population to take advantage of the abundant opportunities in the environment.
   * 1. Outline any two determinants of this aspect
     2. Mention any two ways in which it can be promoted
2. Mention any four examples of information that can be stored by an entrepreneur and able to recall it at an appropriate time
3. Outline any four factors an entrepreneur should consider when assessing the possibility of suffering loss, harm or danger in business
4. Give for reward a business gets from having an inspirational description of what it would like to accomplish in a midterm or long term future
5. It is an entrepreneur’s obligation to produce a product that has the ability to meet customers’ needs and requirements.

Identify any four elements that should be observed to achieve this.

1. Outline any two;
   * 1. Types of inventory
     2. Costs of maintaining high inventory levels in business

(h) (i) Distinguish between marketing mix and marketing strategy

(ii) List any two tools adopted for effective marketing strategy

1. Carol would like to spread information to her customers about her new brand using either internet or television. List for her a checklist of aspects to consider when making her decision.
2. URA has sent to Amanda an sms reminding her about her tax arrears for the last 18 months.

i. Mention any three factors that might have led to Amanda‟s behavior ii. List any two strategies that URA can adopt to reverse this behavior

iii. Outline any three elements involved in ensuring that tax payers abide to their obligations

# PART II: SECTION B P230/1 TOPIC 1: INTRODUCTION TO ENTREPRENEURSHIP EDUCATION

1. (a) What factors are considered by people when deciding on undertakings to carry out for their survival?
   1. Why is self-employment preferred to wage employment?
2. (a) Explain the contribution of entrepreneurship to the economic development of your country.
   1. Suggest measures that can be adopted to promote entrepreneurship in your country.
3. (a) What are the distinguishing features between entrepreneur and intrapreneur?
   1. Describe the attributes of successful entrepreneurs in your country.
4. (a) What is the impact of giving products a different form of appearance?
   1. In what ways can this be fostered?
   2. What factors bring about this practice?
5. (a) What are the benefits of creativity? (b) How can creativity be fostered?
6. (a) Why are small businesses more successful in transforming resources of enterprises through use of creative minds to better ones than large businesses
   1. In what ways is this transformation of resources fostered?
7. (a) Explain the determinants of entrepreneurial motivation
   1. What behavioral characteristics are possessed by achievers?
   2. Examine the factors that promote a positive mental attitude towards achieving goals by entrepreneurs
8. You are preparing to meet your employer over issues of salary enhancement.
   1. Explain the principles you should observe during this meeting
   2. What challenges are you likely to face during this meeting?
   3. How can these challenges be overcome?
9. (a) Describe the various ethical principles

(b) Explain the relevance of practicing good ethical conduct in business

1. In transmission of messages, the sender has to ensure that information is understood by the receiver in the same way and sense as sent
   1. Describe the principles that have to be followed to achieve it.
   2. What techniques can be adopted to improve listening skills?
   3. Explain the various forms that can be used in the transmission of information
   4. Why is written correspondence preferred to oral messages?

1. Kwekaza an upcoming business lady is in the process of differentiating herself from the crowd by identifying her unique proposition
   1. Explain the principles she should observe during this process
   2. How beneficial is this practice?

# TOPIC 2: ENTREPRENEURIAL ENVIRONMENT

1. (a) Identify the social responsibilities of a business to a community
   1. Describe the aspects that characterize entrepreneurial environment
2. (a) Explain the social and cultural factors of a society that influence entrepreneurial development and decision making (b) How can the social-cultural environment be improved?
3. (a) Examine the political factors that hinder entrepreneurial intensions and opportunities
   1. Suggest strategies for improving entrepreneurial environment
4. The trans-border movement of people goods, capital and ideas is taking place due to economic integration which enhances trade
   1. Explain the determinants of this movement
   2. What is the impact of this movement to entrepreneurship?

# TOPIC 4: BUSINESS IDEAS

1. (a) In what ways do entrepreneurs come up with exciting business ideas?

(b) What is the purpose of generating business ideas?

1. (a) Describe the steps involved in;
   1. Surveying a business idea
   2. Turning a business idea into a product

(b) Discuss the criteria considered when evaluating business ideas

1. (a) Explain the factors that can be considered when assessing business risks.
   1. Explain the factors affecting the level of sales for the business
2. (a) Distinguish between;
   1. a prototype and a patent
   2. copyright and trade secrets
   3. Give two rules of prototyping the invention

# TOPIC 5: BUSINESS OPPORTUNITIES

1. (a) Explain the procedure involved in determination of business profitability/viability.
   1. Discuss the factors determining profit levels in an enterprise
2. (a) Describe the various types of business opportunities that entrepreneurs engage in
   1. What are the components of: -
   2. market feasibility study
   3. technical viability study
3. Malaika is in the process of determining how attractive or hopeless her business idea is from the financial point of view. As a business expert;
   1. Explain the benefits of carrying out this activity
   2. What challenges is she likely to face during this process?
4. (a) Describe the structure of a feasibility study report
   1. What are the characteristics of good business opportunities?
   2. What steps are involved in the process of starting a business enterprise?

# TOPIC 6: SMALL AND MEDIUM ENTERPRISES

25.(a) Why do most SME‟s fail?

(b) What measures can be taken to ensure success of SMEs?

1. (a) Explain the responsibilities of insurance companies to

SMEs

* 1. Describe the doctrines of insurance
  2. What challenges are faced by Uganda insurance industry?

1. (a) What types of insurance policies can be taken by entrepreneurs?
   1. Explain the procedures followed in;
   2. taking up insurance policies
   3. claiming compensation
   4. Explain the determinants of amount of premium
2. (a) Why do businesses exist in varying sizes?
   1. Explain the factors that necessitate god relationship between family and business
3. (a) What challenges do family businesses face?
   1. How can these challenges be overcome
   2. Outline the features of;
      1. Microbusinesses
      2. Small enterprises

# TOPIC 7: GENDER AND ENTREPRENEURSHIP

1. There is need for men to work harmoniously with women as joint partners in business.
   1. What are the constraints to this aspect?
   2. What measures can be adopted to promote gender equality?
2. (a) What factors affect women participation in entrepreneurial activities?

(b) Explain the measures that are being taken by the government of Uganda to promote women participation in business activities

# TOPIC 8: BUSINESS PLANNING

1. (a) Explain the structure of a good executive summary (b) What is the relevance of an executive summary to an entrepreneur?
2. Kisakye is drafting a document to act as a management tool to help keep focus on the nature of business in a logical and organized manner.
   1. Describe the components she can include to make this document complete
   2. What is the rationale for drafting this document?
3. (a) Describe the components of;
   * 1. A production plan
     2. A marketing plan

(b) What challenges are faced by entrepreneurs while implementing business plans?

1. (a) Explain the tools an entrepreneur may use to monitor business operations.

(b) What steps are followed in drafting a business plan (c) Of what importance is setting goals in business?

1. Kitone is in the process of establishing another branch for her restaurant and has drawn a layout for the sequenced activities to help her achieve the set goal.
   1. What elements must not miss in her document?
   2. What are the uses of this document?
   3. What steps are followed when drafting an operational budget?
   4. Identify the aspects included in the detailed plan section of a business plan.

# TOPIC 9: PRODUCTION MANAGEMENT SKILLS

1. (a) Explain the factors considered when making production decisions.
   1. Describe the activities involved in the production process

1. (a) Explain the factors affecting stock levels in an enterprise
   1. Discuss the factors that influence entrepreneurs‟ choice of suppliers
2. (a) Why is it vital to ensure proper inventory management? (b) Describe the tools used in inventory and stores management
3. (a) Explain the characteristics of appropriate technology
   1. Describe the principles and objectives of purchasing
   2. Explain the factors considered when selecting inputs
4. (a) Explain the internal control systems for a business operator
   1. What is the relevance of practicing internal control systems?
5. (a) Describe the internal control systems used by entrepreneurs when managing;
   * 1. Quality
     2. Inventory
   1. In what ways can entrepreneurs minimize costs of production?
6. (a) Explain the strategies required for effective time management
   1. What are the indicators of time wastage in an organization?
7. (a) Explain the elements of a work place that increase productivity
   1. In what ways are;
      1. Machines handled in an enterprise
      2. Hazardous substances managed in an enterprise (c) Explain the factors that should be considered when selecting industrial machinery
8. (a) Describe the aspects of quality management
   1. What are the customer‟s misconceptions about quality?

44.(a) What is the purpose of quality control in an enterprise?

(b) Explain the factors that influence general quality standards of products in an enterprise

45. (a) Explain the factors that may lead to products which do not meet customers‟ needs and requirements

1. How can proper financial management be used as a tool for producing products which meet customers‟ needs
2. Discuss the various methods of costing

# TOPIC 10: MARKETING MANAGEMENT SKILLS AND TOPIC 11: SALES PROMOTION

1. (a) Describe the marketing decision areas to be met in the marketing programme
   1. Explain the functions of carrying out market survey
2. Apio a producer of snacks is in the process of determining the numbers of people/institutions within a specific area to whom she is to sell her products
   1. What are the determinants of these numbers?
   2. Under what circumstances may she set a high price for her products?
3. (a) Describe the process of determining market size for the products of a business

(b) Explain the challenges faced by entrepreneurs while identifying, anticipating and satisfying customer‟s needs efficiently and profitably.

1. One of the regular customers of Blessed Hotel was quoted saying “these people constantly and consistently meet our needs in such a way that we feel wanted and appreciated” (a) Describe the various strategies being adopted by Blessed Hotel to achieve this.
   1. Explain to Blessed Hotel the aspects it should base on when dividing the market into small groups of individuals each with similar wants and needs
   2. What are the aims of creation of such market divisions?
2. (a) Discuss the tools used in market research
   1. Describe the various pricing strategies adopted by entrepreneurs
3. (a) Analyse the procedure of creative selling.
   1. Justify the need for personal selling in business
   2. What attributes should be possessed by a creative sales person?
4. (a) How important is advertising to an enterprise
   1. Explain the factors that should be considered when selecting an advertising medium
   2. Describe the essential elements of an advertising message
5. (a) What tools do entrepreneurs adopt to increase their turnover?
   1. Why may an entrepreneur adopt strategies to boast his sales?
6. Kimongwa a producer of beverages realized persistent drop in sales of one of his brands and was advised to adopt strategies that can enable him to boast its sales temporarily.
   * 1. What strategies can he adopt to achieve this?
     2. What factors should be considered in choosing this strategy?
7. Production is said to be incomplete if the goods do not reach the final consumers.

(a) What paths can entrepreneurs take to achieve this? (b) What factors are considered in choosing the best path to adopt?

(c) What are the salient features of an effective path for supply of goods?

1. (a) Discuss the various avenues entrepreneurs can use to spread information about availability of goods

(b) Describe the aspects that characterize potential customers

1. (a) Why is newspaper advertising preferred to radio advertising
   1. Under what instances may an entrepreneur sell goods on credit?

# TOPIC 12: HUMAN RESOURCE/PERSONNEL MANAGEMENT

1. (a) Describe the essential elements involved in human resource management.
   1. What are the responsibilities of human resource department of an enterprise?
2. (a) What is the importance of having an operational organizational chart in an enterprise?
   1. Describe the personnel requirements of an enterprise
3. (a) Discuss the sources for recruiting personnel in an organization
   1. Why is time rate method of paying workers preferred to piece rate?
4. (a) Discuss the causes,benefits and costs of labour turnover (b) What measures can entrepreneurs adopt to reduce labour turnover?
5. (a) Why is it necessary to motivate employees?
   1. Suggest possible strategies for retaining employees in an enterprise
6. One of the major roles of the human resource manager is to bring the services of his employees to an end.

(a) Under what circumstances may he perform such a role? (b) Describe the procedure of replacing such employees

1. In order to attract capable and competent people and retain them for long, an entrepreneur has to put in place clear policies regarding salary and wage administration and other benefits to workers.
   1. In what ways can entrepreneurs reward their workers?
   2. What factors are likely to cause variations in the rewards?
2. Employees are expected to observe the ethical code of conduct while performing their duties which they at times fail to do.
   1. What causes this?
   2. What procedures can be taken to deal with those who fail to observe the code of conduct?
3. (a) Why do entrepreneurs carry out merit rating?
   1. What tools do entrepreneurs adopt to successfully evaluate their workers‟ performance?
4. (a) What measures can be taken to promote good working relations
   1. Justify the need for training workers in an organization (c) Describe the procedure of training employees
5. (a) Discuss the various methods of training adopted by enterprises
   1. Explain the factors that determine employee training (c) Why do small businesses neglect training of their workers?
6. The CEO of Aggrey Bakery introduced the new financial manager to the rest of the workers in a mini-meeting at the start of a week and assigned other supervisors to take him through other company aspects.
   1. What are the aims of doing this?
   2. What factors are considered when preparing this programme?

# TOPIC 13: COPING WITH COMPETITION

1. (a) Describe types of business competition
   1. What are the effects of competition in business?
2. (a) Explain the factors that;
   * 1. Are considered when analyzing competition
     2. Affect competition
   1. What areas are considered when evaluating business competition?
   2. How do businesses survive failure?
3. (a) What strategies do entrepreneurs adopt to win customer acceptance and loyalty?
   1. What are the indicators of an increasing level of competition?

# TOPIC 14: FINANCIAL PLANNING AND TAXATION

1. (a) Describe the sources of capital for the business
   1. Under what circumstances may an entrepreneur obtain a bank loan?
   2. Suggest ways of ensuring proper loan management
2. (a) Why is it necessary for an entrepreneur to save part of his/her income?
   1. Explain the factors that determine the level of savings of entrepreneurs in your county
3. (a) Explain the ways in which collection of cash is

accelerated in business

* 1. In what ways is cash managed in an enterprise?

1. (a) Describe the principles of a good tax system (b) Why does the government levy taxes?
2. (a) Explain the factors influencing tax compliance
   1. What measures can be taken to encourage tax compliance?
   2. What steps are taken to effect tax compliance?
3. (a) Account for the popularity of indirect taxes over direct taxes
   1. What are the responsibilities of Uganda Revenue Authority?
4. (a) Explain the merits of direct taxes over indirect taxes (b) What are the costs of a corporation tax?
   1. Explain the advantages and disadvantages of VAT
   2. Discuss the rights and obligations of a tax payer
5. (a) Explain the reasons why entrepreneurs should be tax compliant.
   1. In what ways can entrepreneurs ensure tax compliance?
   2. How can tax evasion be minimized in Uganda

# PART III: P230/2 PROJECT MANAGEMENT

81.**You have obtained funds to start a dairy farm in your locality**.

1. Design an appraisal form for use during employee evaluation.
2. Present guidelines observed in your business to ensure employee retention.
3. Clearly illustrate the communication process flow followed in your enterprise.
4. Write a memo to the line managers inviting them for an urgent meeting about customers‟ complaint on quality of the dairy products.
5. Clearly write down a programme followed to develop an effective sales promotion for the business products.
6. Propose guidelines followed to attract business customers.

**82.You are involved in a business that deals in production and supply of fresh juice in our locality.**

1. Design a label to be placed on one of your products.
2. Present a plan followed in your business to recover credit.
3. Present a SWOT analysis for the business.
4. Write down guidelines followed to properly manage inventory.
5. Present a marketing expenses budget followed to further boast business sales.
6. Formulate guidelines put in place to ensure profit maximisation in your business.
7. Design a delivery note for use in the business.

**83.You are human resource manager of a furniture workshop operating in your home town. It is in the process of selling shares to the public to boast its capital.**

1. Write down contents of the prospectus to be placed in newspapers.
2. Design a share certificate to be issued to new shareholders.
3. Make a production plan for your workshop.

d)Draft an application form for usage in the recruitment of required personnel.

1. Propose guidelines to promote gender partnership.
2. Develop an organizational plan for the workshop.
3. Prepare a payroll that was followed to make payments to your employees last month.

**84.You have been selected as a programmes manager of a unisex salon opening soon in your home area.**

1. Prepare a newspaper advert to publicise your new business.
2. Write up a weekly work schedule for workers to follow.
3. Prepare a marketing plan for your enterprise.
4. Issue a promissory note to a supplier of inputs to your salon.
5. Write down policies followed in your enterprise to promote good working relationship with employees in your enterprise.
6. Prepare a budget indicating operating expenses of your business.

**85.You are a general manager of a cooking oil factory operating in your home area. You have received a donation from USSIA worth 160 million to expand it by opening up another branch.**

1. Prepare a management tool for implementation of all business activities.
2. Draw a financial plan for your enterprise.
3. Design a work order form for business use.
4. Formulate a vision, mission statement, two goals and two objectives of your business.
5. Present guidelines you are to follow to improve the level of tax compliance.
6. Present a welfare management policy for the business.

86.**You are involved in the production and supply of bakery products. You have reserved shs 15,000,000 for capital expenditure**.

1. Present a capital expenditure budget for your business.
2. Write guidelines followed to ensure proper cash management in your enterprise.
3. Make a programme you are to follow when establishing the profitability of the business.
4. Draw the organizational chart for your enterprise.
5. Propose strategies for diversifying your business.

87.**You own a trading store dealing in sale of agricultural product**.

1. Formulate guidelines for ensuring business success.
2. Design a stock requisition form for business use.
3. Write a bid notice for the supply of beans to the store.
4. Draft an operational budget for your business.
5. Formulate policies for developing an effective marketing strategy.

**88.You have pioneered the establishment of a youth tailoring project with financial support from the government as a strategy to fight poverty in your community.**

1. Write a theory of change for your social enterprise.
2. Develop a GEPIC structure for advocacy to promote your mission.
3. Come up with a one – day training programme for your new workers.

d)Formulate guidelines for promoting innovation in your business.

1. Draw a site plan for your enterprise.
2. Propose a policy for ensuring sustainability of your social enterprise.

**89.You are engaged in urban mushroom farming in one of the suburbs of the city.**

1. Present a supply chart for your products.
2. Write guidelines for presenting business products by the sales persons.
3. Having been joined by one other partner, the business has been transformed to a partnership. Draft contents of the partnership deed to follow in your business.
4. Propose guidelines for managing time in the business.
5. Write a statement of account for one of your regular customers for last month.

90.**You have secured a loan facility of shs 60,000,000 from Centenary Bank for the establishment of a snacks point in your home town. It is payable in six equal monthly installments at an interest rate of 10% on outstanding balance**.

1. Prepare a loan amortization schedule you are to follow.
2. Draw a weekly distribution schedule for your products.
3. Develop guidelines for ensuring proper loan management.
4. Write a cheque worth shs 1,000,000 to pay Mukisa Enterprises for the raw materials supplied.
5. Make instructions for your employees to develop good customer care.
6. Design a cash payment voucher for business use.

91.**You are a marketing manager of a restaurant in your home area. You have a plan of introducing International foods on your menu and you are in the process of collecting customers opinions concerning International foods**.

1. Design a customer opinion form you are to use to collect data.
2. Prepare an advert for the post of a chef for effective management of the new innovation.
3. Present a purchase order for your restaurant inputs.
4. Formulate guidelines followed to ensure acceptable hygiene in your restaurant.
5. Draw up a plan for taking an insurance policy for your business assets.
6. Write a document for a customer who has been overcharged to correct the error on the invoice.

**92.You own a first growing grain milling business in your home town. The business has won a tender to supply maize flour to Success High School.**

1. Formulate terms and conditions to sign with the school.
2. Give social responsibilities of your business.
3. Develop the enterprise‟s asset register.
4. Develop a policy for selection of company machinery.
5. Due to its expansion, you wish to open up a new branch. Present a programme to be followed to officially start business operations for the new branch.
6. Write a management plan for your business.

**93.You are a marketing manager of a cosmetics centre in your home area. A big number of your long time customers nolonger come for your cosmetics products and beauty consultations. You have been tasked by the general manager to make investigations on the cause of this scenario.**

1. Report your findings, conclusion and recommendations to your immediate supervisor.
2. Provide guidelines you have put in place to ensure that your business remains competitive in the market.
3. Write a notice informing your potential customers the actions taken to improve service delivery.
4. Draft guidelines for better utilization of business proceeds.
5. Formulate a code of conduct to be observed by employees.
6. Make a credit status inquiry on one of your new clients who wishes to buy cosmetics worth 800,000 on credit.
7. Propose guidelines for monitoring business operations

# PART IV: P230/2 FINANCIAL MANAGEMENT

94.The trial balance below relates to Sabula Traders at 31.12.2021.

|  |  |  |
| --- | --- | --- |
| **DETAILS** | **DEB (SHS)** | **CREDIT**  **(SHS)** |
| Land  Stock (1/1/2021)  Purchases / Sales  Returns  Debtors / Creditors  Carriage on Purchases | „000‟  6,500  10,000  85,000  2,000  20,000  1500 | „000‟      101,200  4000  13,000 |
| Capital  Motorvan  4 – year loan  Equipment  Commission Income  Rent and Rates  Electricity  Discounts  Insurance  Bad debts recovered  Motor repairs  Bank overdraft  Interest received  Bank balance  Cash in hand  Carriage on sales  Drawings | 30,000    45,000    2500  1500  2000  3000    4000      12,000  18,000  1000  6000  **250,000** | 57,000    55,000    1800      5000    8000    3000  2000          **250,000** |

Additional information:

1. Closing stock 31/12/2021 Shs 4,000,000
2. Electricity arrears amounted to Shs 300,000
3. Rent prepaid Shs 500,000 iv. Insurance owing Shs 700,000
4. Commission Outstanding Shs 200,000
5. Interest received in advance Shs 450,000
6. Depreciate all fixed assets at 10% on cost
7. Create a provision for bad debts at 10% of debtors.
8. The business had 18 workers at the beginning of the year and 22 workers at the end of the year.

Required:

a) Compute:

* 1. Cost of sales
  2. Gross profit
  3. Net profit
  4. Working capital
  5. Fixed capital
  6. Capital employed b) Compute and Interpret;
  7. Average mark up
  8. Net profit margin
  9. Inventory velocity ratio
  10. Holding period
  11. Cash ratio
  12. Acid test ratio
  13. Profit per employee ratio
  14. Return on employed capital ix. Average debt collection period.

1. Non – current assets turn over.
2. Creditors turn over period (in weeks).
3. Debt equity ratio.

c) Of what use are financial ratios to an entrepreneur.

95.The following projections relate to HOPE WHOLESALE SHOP for the months of January, February, March and April 2019.

1. Cash purchases of raw materials per month expected to be Shs 4,000,000 but this is expected to increase by 20% starting in the month of March. Raw materials for April were to be paid for in March.
2. 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 month.
3. Payment of pre-operating expenses in the first month was projected at Shs 7,160,000. Startup assets worth Shs 50,000,000 are to be purchased in January, 80% payments will be made in January and the balance in the following month.
4. The business planned to start operations on 1st January 2019 with cash of Shs 60,000,000.
5. The business planned to donate chicken worth Shs 1,000,000 per month to the community.
6. A 4 months Bank loan of Shs 8,000,000 is to be obtained in February at a monthly interest rate of 2% on reducing balance. The loan principal installments and interest to be paid starting in the month of loan acquisition.
7. A 100kgs of sugar worth Shs 500,000 to be taken monthly for personal use.
8. Machine worth Shs 37,310,400 to be purchased in January under the following agreements. Shs

28,744,000 to be paid in the last week of February and the balance in the last month. The machine is to depreciate at a rate of 10% p.a.

1. The business‟ bus for hire brings in Shs 3,000,000 per month.
2. Monthly salaries for workers are projected at 240,000 for each of the 10 workers in the first month. The number of workers is expected to rise by 2 in each of the subsequent months.

Required:

1. Prepare the cash flow statement of the wholesale shop for a period of 4 months starting with January 2019.
2. Comment on the net cash position of the business for four months.
3. Distinguish between a cash budget and an income statement.
4. What are the uses of a cash budget?
5. What measures can the business undertake to:
   1. overcome a deficit
   2. Manage cash

96.(a) Munene is an employee in unique enterprises limited. He earns the following monthly income.

Salary of Shs 20,000,000, travel allowance of Shs 1,000,000 and medical allowance of Shs 1,500,000. He gets security allowance of Shs 600,000 and marriage allowance of Shs 500,000. During the month he got a re-imbursement (refund) of Shs 800,000.

Compute his taxable income and monthly tax liability using the month tax rates below.

|  |  |  |
| --- | --- | --- |
| Tax bracket | Monthly income | Tax rate |
| iv | (Shs)  Exceeding Shs  410,000 | 1. Shs 25,00 + 30% of amount exceeding Shs 410,000 2. Where chargeable income exceeds Shs 10,000,000, an additional 10% is charged on the amount exceeding   Shs 10,000,000 |

(b) Kirabo owns apartments in Kololo, Munyonyo and

Ntinda from where he earns annual rental income of Shs 25,000,000, 6,000,000 and 14,000,000 respectively. Using a tax rate of 30%, Shs 1,500,000 as interest on mortgage and 75% of gross rent income as provision for expenses and losses.

Determine;

1. Chargeable rental income
2. Rental tax

1. Amanda Grocery‟s gross income for the year 2021/2022 was Ug Shs 120,000,000. The business paid rent of Shs 10,000,000 in the year, school fees for director‟s children was Shs 14,000,000, payment for utilities was Shs 3,000,000, penalties were Shs 600,000. Calculate the chargeable income and the amount of corporation tax payable using 30% tax rate.
2. In the year 2020, Kwetega Sam earned Shs 4,000,000 from employment, Shs 16,000,000 from property and Shs 14,000,000 from his business. The tax exempt income was 25% of his total earnings for the year.

In the course of the year utilities costed Shs 1,800,000 while Shs 500,000 was spent on replacing broken glass windows.

Determine;

* 1. Gross income for the year
  2. Taxable income
  3. Tax payable given the tax rates below

|  |  |
| --- | --- |
| Exceeding Shs 4,920,000 | a) Shs 300,000 plus 30% of the income by which chargeable income exceeds Shs 4,920,000 |

1. Muchomo bought 20 boxes of powdered milk each at Shs

40,000. He later sold each box at a profit of Shs 5000 each to Kirungo. Finally, Kirungo sold all the boxes to the final consumer making a profit of Shs 6000 per box.

* + 1. Compute the VAT at each stage using 18% VAT rate given that the values are VAT exclusive.
    2. Determine total VAT paid to URA.

1. During the month of June 2020, Super wholesaler had the following VAT inclusive transactions with other VAT registered businesses.

|  |  |  |
| --- | --- | --- |
| Product | Purchases (Shs) | Sales (Shs) |
| Cookies | 29,500,000 | 47,200,000 |
| Juice | 70,800,000 | 106,200,000 |

Determine;

* + 1. VAT on each product using 18% VAT rate.
    2. Sales value of Juice VAT exclusive.

1. As an expert in taxation matters;
   * 1. Present a speech to the business community about their obligations as tax payers.
     2. List any three tax exempt incomes of employees.
     3. Advise tax payers on strategies to adapt to ensure tax compliance.

1. The following tax payers provided you with their annual taxable incomes and theannual taxes paid.

|  |  |  |
| --- | --- | --- |
| Tax payer | Annual taxable income | Tax paid (Shs) |
| Buuso Jane | 140,000,000 | 5,600,000 |
| Bunnyo Dan | 175,000,000 | 12,250,000 |

* + 1. Compute each tax payer‟s tax rate.
    2. Basing on your computation, which class / type of tax system is used in that country.
    3. Clearly explain the reasons why governments may opt for the form of tax system adopted in the country above.

1. Karamagi imported a car from Japan which had stayed for 11 years since its date of manufacture at a cost of 6000 dollars. He paid insurance of 1600 dollars and freight charges of 2400 dollars. The exchange rate at the time of importation was 1 US $ to Ug Shs 4000. Given the rates as import duty = 25%, VAT = 18%, withholding tax = 6% infrastructural levy of 1.5% and environmental levy 50%.
   * 1. Determine the customs taxes on the car.
     2. Gross value of the car after putting under consideration all tariffs.

1. Mutamiivu imported alcoholic drinks at a CIF value of 4600 dollars. At the time of importation, the exchange rate was 1 US $ to Ug Shs 3900.

Given the tax rates as Import duty = 25%, Excise duty 60%, VAT 18%, Withholding tax of 6%, Infrastructural levy = 1.5%. Determine the relevant customs taxes.

# PART V: P230/2 SECTION A: CASE STUDY

**97.Read the case study below and answer the questions that follow.**

Matayo a graduate from Kyambogo University grew up in a rural isolated area in a family that was financially stuck. The survival of the family was largely on subsistence farming and selling of surplus. Matayo obtained favors from his catholic church which sponsored his education. After his university education he failed to get a job and did not want hustle to make ends meet. He thought of selling of part of family land to raise startup capital for a business in the city, which his parents rejected. He later got a job as a radio host and marketer for Kamuli radio station which made him a celebrity in the area. He hosted his close acquaintance Geoffrey Tenywa a renown successful farmer in Kamuli and after the radio presentation Matayo picked interest in Agriculture.

He started reading magazines with agricultural articles in newspapers. He later joined politics as a District councilor for Bukoma sub county in Luuka District alongside being a radio host and made savings from the two career options to the tune of Shs 10,000,000. He used the money to buy 3 acres of land in Kamuli. Tenywa preached to him the value of farming and gave it a shot. He planted oranges, tomatoes, cabbages, and water melons and used the half acre stretching to a swamp for sugar canes. He used various marketing strategies to convince customers in Kamuli, Jinja and Iganga to buy his products since he was a radio presenter. In his society, successful farmers were proud of him and were willing to offer him financial support.

He later started a restaurant in Kamuli town despite the risks involved and the meagre capital coupled with ever changing business regulations and uncertainties. He insured the restaurant and strictly sells on cash basis as well as maintaining books of accounts.

**Questions:**

1. Describe the nature of the entrepreneurial environment in which Matayo is operating.
2. Explain the factors that favoured Matayo to succeed in his businesses.
3. Advise Matayo about the keys to successful negotiation in business.
4. What marketing strategies could Matayo have used in the business?
5. Describe the basic steps Matayo could have followed when taking the insurance policy.
6. Give the lessons any one can learn from the case study.
7. Identify the environmental factors that affect the business in its production process and operations.

# SECTION B: SCHOOL BUSINESS CLUBS

98. In relation to the school business project carried out by your entrepreneurship club.

* 1. Describe the enterprise.
  2. What entrepreneurial competencies were involved in the business.
  3. How did you minimize production costs in the business.
  4. Describe the marketing mix for your business project.
  5. (i) Identify the challenges encountered during the marketing of the business products.

(ii) How were the above challenges overcome.

1. Explain how you avoided the common causes of the failure in your business.
2. Describe how you raised startup capital.
3. What producers did you follow during business establishment?
4. What possible businesses would you have operated alongside your business project.
5. Give the entrepreneurship skills you acquired from the business project.
6. Describe the record books that were used by the project.
7. (i) Draw an action plan you followed during business establishment.

(ii) In what ways did the members benefit from the school business club project?

1. (i) Describe the techniques you used to make your products unique in the market.

(ii) How did you develop the business idea?

1. (i) What market gaps did your project try to fill.

(ii) How were the above gaps filled?

1. .(i) On what factors did the project members base the assessment of business risks.

(ii) Explain the production process followed by your business.

1. (i) Explain the factors that influenced your production decisions.

(ii) Explain why your project was a good business opportunity.

1. (i) Prepare a financial plan for your project.

(ii). Describe the financial management activities you carried out in the enterprise.

(r)(i). Explain the basis for setting prices of your products. (ii). Describe the ways in which you wasted time in your business activities

(iii) Discuss the production process followed by your business.

(s) (i) Describe the mechanism you used in controlling business physical assets.

(ii) Explain how you implemented the theory of

change in your business enterprise.

(iii). How did you ensure proper work station management

1. (i) Mention the costs that were involved in starting and operating your business project.

(ii). What strategies did you use to minimize loss of business funds.

(iii). State the various methods of communication you used in the project.

1. (i) What ethical principles did the members base on when developing a code of conduct master piece. (ii) What tools did the members use for carrying out marketing effectively?

(iii). How did the club executives maintain good relationship with the members in the enterprise. (iv). What factors did you consider when selecting sales promotion strategies for the business.

1. (i) What challenges did you face when raising capital (ii) Explain the innovations that were undertaken to improve the quality of your products.
2. What entrepreneurship activities were carried out in the business?
3. What factors did you consider when formulating marketing strategies?
4. (i) Describe the sales promotion strategies of the business.
   1. What steps did you follow when preparing an operational budget?
   2. Why did some of your club members resist change in the enterprise?
   3. Outline the characteristics of good action steps you took to ensure smooth operations of your business.
5. (i) Justify the view that your enterprise was a micro enterprise
   * 1. Describe the strategies you had for overcoming any resistance to change by your club members
     2. Outline the measures you employed to maximize profits
     3. How did your business increase its inflows?
6. (i) Justify the view that your enterprise was a micro business.

(ii) What factors made your business project viable (z) Describe how you dissolved the business.

# FIELD ATTACHMENT

99. For any field attachment you carried out

1. Write an executive summary for your business.
2. Describe the procedure followed by the entrepreneur in determining potential market size.
3. What factors does the entrepreneur consider when determining working capital requirements of the business?
4. What factors does the entrepreneur consider when evaluating business competition?
5. What business laws does the enterprise observe?
6. Explain the challenges the business faces when conducting market survey.
7. What procedures does the proprietor follow when establishing an effective personal brand?
8. Present the components of marketing communications mix the business uses.
9. What techniques of negotiating with customers does the business employ when marketing its products?
10. (i) State the financial statements prepared by the enterprise you were attached to.

(ii) Explain the purpose of developing the above mentioned financial statements.

1. How does the business you were attached to ensure;-
   * 1. Customer satisfaction
     2. Proper employee handling and retention.
2. (i) Explain the different marketing innovations used by the business of attachment.
   1. How does the business manage credit sales?
3. Describe the resources available in the area that favored establishment of the business you were attached to.
4. Advise the owner of the business on the ways in which the family can support the business.
5. Describe the marketing activities of the enterprise
6. (i) How does the business handle customers‟ complaints.
   1. What tools does the entrepreneur use to monitor business operations?
7. (i) Describe the potential customers‟ of the business (ii) Advise the owner(s) of the business about benefits of investing in shares of listed companies
8. (i) How does the business promote good customer care?
   1. Explain how the business you were attached to ensures sustainability.
9. ((i) Mention any three social costs of the business you were attached to.

(ii) Describe the measures being employed to overcome the social costs stated in t (i) above.

1. (i) What techniques are used by the owner when bargaining with customers.

(ii) Explain the impact of the business you were attached to on the community.

1. How does the business attached to handle;-
   * + 1. Business documents
       2. Inventory
2. Describe the controls the business uses to ensure;- (i) Flow of funds

(ii) Quality

1. (i) What elements influence the quality standards of the enterprise attached to

(ii) List the source documents used by the business of attachment.

1. (i) What factors does the entrepreneur consider when developing products/services?

(ii) What items lead to flow of cash out of the business?

1. (i) Mention the legal form of business you were attached to.
   * + - 1. Justify the view that the business attached to is a medium enterprise.
         2. Describe the source documents used by the business.

# FIELD TRIP

100. With reference to any business field trip you made as a individual or as a group;

1. (i) State the aims of the field trip
   1. Describe the nature of the business
   2. Draw a site plan of the business you visited
   3. Identify the methods you used in data collection
2. Describe the categories of inventory possessed by the business.
3. (c) How does the business visited handle difficult customers?
4. (d) What made the business visited viable?
5. Explain how the business visited establishes customer satisfaction.
6. What factors does the business consider in deciding on the nature and number of workers to recruit?
7. Explain how the business the business ensures;
   1. Proper waste management
   2. Proper machine maintenance
8. (i) Explain how the business ensures effective communication.
   1. Guide the entrepreneur on the criteria to evaluate the business.
9. How do sales persons clear all doubts and objections of customers without entering into controversial arguments and losing temper?
10. What measures are undertaken by the business to promote good employee relations?
11. Advise the business on;
12. Ways of promoting gender quality
13. Investment opportunities in capital markets.
14. Describe the indicators of good customer care in the business you visited.
15. (i) What factors does the business consider when selecting suppliers of inputs.

(ii) Advise the entrepreneur on the benefits of investing in bonds.

1. How does the business visited manage time so as to promote efficiency?
2. (i) Describe the likely causes of product failure to the business you visited

(ii) How can the business avoid them?

1. What steps did the owner follow when establishing the business?
2. What made the business visited successful?
3. Explain the indicators that portray discipline in the business visited.
4. (i) Advise the owner about the advantages of registering the business.

(ii) State any three developmental changes that took place in the enterprise.

1. (i) Advise the business owner about the benefits of tuning the business into a social enterprise.
2. What benefits does the enterprise enjoy by interpreting financial statements?
3. Explain the factors that the owner of the business considers when recruiting employees.
4. How is proper work organization ensured in the business you visited?
5. (i) Of what benefit is work scheduling to the business you visited.

(ii) What factors does the owner consider when evaluating business competition?

Y (i) State the indicators of positive impact of the business on the community.

(ii) How does the enterprise avoid shop- lifting by both employees and customers?

(z) Why does the proprietor of the business visited terminate the services of some employees?

***END***