**P230/2**

**ENTREPRENEURSHIP EDUCATION**

**PAPER TWO**

**NOVEMBER 2023**

**3 HOURS**

**MENTOR SENIOR SECONDARY SCHOOL**

Uganda Advanced Certificate of Education

**ENTREPRENEURSHIP EDUCATION**

Senior Five

3 Hours

**Instructions:**

* Answer only four(04) questions
* All questions carry equal marks
* Credits will be given for use of relevant diagrams and illustrations
* Any additional question(s) will not be marked

1. You are a marketing manager of a first class restaurant in a busy city which is in the process of increasing on its services.
2. Design a cash sale slip to be used in the business (06 mrks)
3. Formulate guidelines to be followed to ensure hygiene of the restaurant (06 mrks)
4. Create awareness for your business (06 mrks)
5. Create strategies of ensuring customer care in the business (07 mrks)
6. The following projections were made by Victoria limited.
7. On July 1st 2019, the business had a cash balance of shs20,000,000
8. Cash sales shs9,600,000, shs 11,200,000, shs22, 000,000 and shs 23,000,000 for the month of July, August, September and October respectively.
9. Expected cash purchases of mineral water shs 4,000,000, shs4,500,000, 5,500,000 and shs 6,000,000 for July, August, September and October respectively.
10. The business expected to sell off furniture at shs1,800,000 in July but the money was to be received in two equal monthly installments after one month of sale.
11. The business expected to buy 4 computers in August each at shs1,600,000
12. Monthly credit sales of mineral water were estimated at shs60,000,000 and money was to be received in the next month of sale. Credit sale of shs50,000,000 was in June, 2019
13. Monthly credit purchases of rice were expected to be shs55,000,000 and term allow 40% payment in the month of purchase and the balance in the following month of purchase.
14. Monthly salary bill was estimated at shs12,000,000
15. The business was to get a loan of shs10,000,000 in the month of July, 2019 payable after two years.
16. Monthly rent was shs500,000 for the month of July 2019. The rent was to increase by shs25,000 every month after July.
17. General expense was estimated at shs6,000,000 per month.

Required;

1. Prepare Victoria Hotel limited cash flow statement for the four month. (20 mrks)
2. Suggest ways of increasing cash inflows in a business (05 mrks)
3. You intend to establish a factory to produce hand sanitizer worth shs 50,000,000.
4. Prepare a fixed capital budget for your proposed business (06 mrks)
5. What factors would you consider in the selection of tools, machinery and equipment (05 mrks)
6. Develop strategies of ensuring production of quality products ( 06 mrks)
7. i) outline the benefits of the business to the community (03 mrks)

ii) Design an inquiry form for use in the business. (05 mrks)

1. The following is summarized income statement extracted from the books of Kazibure enterprise for the financial year ended 31.12.2022

|  |  |  |
| --- | --- | --- |
| Details | Shs. | Shs. |
| Sales  Less: Return Inwards  Net sales  Less cost of sales.  Opening stock(1.1.2022)  Add Net purchases  Goods available for sale  Less closing stock(31.12.2022)  Cost of sales  Gross profit  Less operating expenses  Net profit | 10,000,000  34,380,000  44,380,000  12,000,000 | 40,000,000  500,000  39,500,000  32,380,000  7,120,000  5,210,000  1,910,000 |

The following balances were also provided;

Total current assets shs 13,230,000

Total fixed assets shs 6,000,000

Total current liabilities shs 1,222,000

Total creditors shs 700,000

Required;

1. Compute the values of
2. Gross profits as a percentage of cost of sales (02 mrks)
3. Capital employed (03 mrks)
4. Calculate and interpret;
5. Working capital ratio (04 mrks)
6. Acid test ratio (04 mrks)
7. Credit payment period in weeks (04 mrks)
8. Rate of stock turn (04 mrks)
9. Gross profit margin (04 mrks)
10. You are planning to improve communication in your bee keeping project.
11. Develop strategies for ensuring effective communication in your business (06 mrks)
12. Write a notice to invite your staff to attend a two-days training on effective communication

(06 mrks)

1. Develop a communication flow chart for the business. (07 mrks)
2. Identify the requirements for the bee-keeping project. (06 mrks)
3. a) Omega enterprise had 5 employees during the year 2022 with each earning monthly salary as shown below.

Maria shs 200,000

Kato shs 320,000

Vivian shs 380,000

Bosco shs 600,000

Nighty shs11, 000,000

Given the P.E.Y.E monthly rate below,

|  |  |
| --- | --- |
| Monthly income brackets (shs) | Tax rate |
| 0 to 235,000 | Nil. |
| 235,001 to 335,000 | 10% of the amount by which the chargeable income exceeds shs 235,000 |
| 335,001 to 410,000 | Shs10,000 plus 20% of the mount by which the chargeable income exceeds shs410,000 |
| 410,001 and above | 1. Shs25,000 plus 30% of the amount by which the chargeable income exceeds shs410,000 2. Where the chargeable income exceeds shs10,000,000, an additional 10% is charged on the amount by which the chargeable income exceeds shs10,000,000 |

Required to compute the P.A.Y.E for the above employees (15 mrks)

1. The following VAT exclusive transactions were carried out by a VAT registered business at various stages of distribution for the month May 2022.
2. Super traders bought goods worth shs9,000,000
3. Super traders sold all the goods to Ben at shs14,000,000
4. Ben sold the same goods to Joy, a retailer at shs20,000,000
5. Joy sold all the goods to the final consumer at shs 28,000,000

Required;

Using the VAT rate of 18%,

1. calculate the VAT chargeable at each stage (08 mrks)
2. Determine the gross sales value of the product to the final consumer (VAT Inclusive)

(02 mrks)

THE END

\*\*\*\*\*\*\*\*\*\*\*\*\*SUCCESS & MERRY X-MASS\*\*\*\*\*\*\*\*\*\*\*\*\*

ENTREPRENEURSHIP DEPARTMENT