**UACE ENTREPRENEURSHIP EDUCATION - P230**

**SEMINAR QUESTIONS – 24TH JUNE, 2023**

**PART 1: SECTION A – PAPER ONE (P230/1)**

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| 1 | (a) | There are various forms of transforming existing business resources to new ones using people’s creativity. | |
|  |  | (i) | Mention any two of these forms. |
|  |  | (ii) | Identify any two attributes that should be possessed by those involved in the transformation of business resources. |
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|  | (b) | (i) | Define the term business idea. |
|  |  | (ii) | Give any three objectives of generating business ideas by an entrepreneur. |
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|  | (c) | State any four elements of tax compliance. | |
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|  | (d) | (i) | Distinguish between competitive cost advantage and sustainable competitive advantage. |
|  |  | (ii) | Outline any two aspects an entrepreneur should consider when evaluating business competition. |
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|  | (e) | Suggest any four benefits of proper time management in business. | |

**PART II: SECTION B – PAPER ONE (P230/1)**

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| 2 | (a) | Describe the various contents of a feasibility study. |
|  | (b) | Examine the factors that determine choice of an attractive investment idea that provides the possibility of monetary returns for the entrepreneur. |
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| 3 | (a) | Discuss the global environment factors which promote entrepreneurship development. |
|  | (b) | Analyse the impact of globalisaiton to entrepreneurial activities in Uganda. |
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| 4. | (a) | Account for the popularity of small and medium enterprises. |
|  | (b) | Explain the challenges associated with family businesses. |
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| 5. | (a) | Under what circumstances may an entrepreneur collect information from customers about a product of a business? |
|  | (b) | Advise an entrepreneur on the different tools that can be used to collect information about a product of a business. |
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| 6. | (a) | Describe the different forms of employee training. |
|  | (b) | Explain the relevance of employee training in an organisation. |
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| 7. | (a) | Discuss the different threats to development of Ugandan communities. |
|  | (b) | What are the social responsibilities of a business to the community? |
| 8. | (a) | Identify the legal documents used in buying and selling of shares. |
|  | (b) | Explain the merits and demerits of investing in collective investment schemes. |
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| 9. | (a) | What steps are followed in drafting a business plan? |
|  | (b) | Describe the structure of a good business plan. |

**PART III: PROJECT MANAGEMENT – PAPER TWO (P230/2)**

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| 10. | Your shoe making enterprise uses various ways to promote sales and also involves in personal selling. Recently a customer complained of being overcharged for shoes taken on credit. | |
|  | (a) | Prepare an appropriate document to address the complaint raised. |
|  | (b) | Compose a credit policy for your business. |
|  | (c) | Make a programme for preparing for negotiation with a supplier of shoe machines, tools and equipment. |
|  | (d) | Develop an advert for promoting your business products. |
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| 11. | You are operating a company that specializes in compound designing and cleaning. | |
|  | (a) | Draw a plan for taking an insurance policy for the business machines. |
|  | (b) | Prepare a fixed capital expenditure budget. |
|  | (c) | Design a visitors’ book for the business. |
|  | (d) | How will the business benefit the community? |
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| 12. | You own a leather tanning factory in a congested area. You intend to relocate to a more spacious place for better performance. | |
|  | (a) | Write a notice informing the public about your intention to shift the business. |
|  | (b) | Draw a daily distribution schedule for your business products. |
|  | (c) | Create strategies for ensuring good customer care in the business. |
|  | (d) | Design a cash sale for the business. |
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| 13. | You plan to establish a milk processing business in your town. | |
|  | (a) | Write the mission and vision statements of your business. |
|  | (b) | Develop a brand label to be placed on one of your packaging materials. |
|  | (c) | Design work order form for business use. |
|  | (d) | Formulate a one day programme for launching your business. |
| 14. | You own a maize milling plant and you have noted with great concern the need to train new employees to promote efficiency. Due to inadequate funds, you have decided to acquire a loan to facilitate the training process. | |
|  | (a) | Design a stock card for the business. |
|  | (b) | Develop a plan for training business workers. |
|  | (c) | Propose guidelines to ensure proper management of the loan in the business. |
|  | (d) | What procedure should be followed by management when handling indisciplined employees of the business? |

**PART IV: FINANCIAL MANAGEMENT – PAPER TWO (P230/2)**

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| 15. | The following projections relate to Kazibure’s business for the Months of June, July, August and September 2024. | |
|  | (i) | The business expects a cash balance of shs.60,000,000 at the end of May 2024. |
|  | (ii) | Monthly cash sales are expected at shs.40,000,000. |
|  | (iii) | The business is expected to issue a debenture certificate worth shs.8,000,000 in July. |
|  | (iv) | Monthly cash purchases are expected at shs.30,000,000. |
|  | (v) | The business expects to dispose off some old furniture worth shs.9,000,000 in July and receive only shs.6,000,000 and the balance to be received in September. |
|  | (vi) | Credit purchases are projected at shs.32,000,000 monthly, payment of which is to be made in the month following the month of purchase. |
|  | (vii) | The business expects to get a loan of shs.10,000,000 in June at an interest of 5% monthly effective July. The principal is to be paid at once in the month of October. |
|  | (viii) | Monthly credit sales are projected at shs.60,000,000 and debtors are to clear in the month of sale. |
|  | (ix) | The business is to buy a vehicle worth shs.36,000,000 in July paying shs.20,000,000 and the balance to be cleared in the following months in two equal installments. |
|  | (x) | The business expects a cash donation of shs.4,000,000 monthly and this is expected to increase by 5% after the first two months. |
|  | (xi) | The business expects monthly rent income of shs.5,000,000. |
|  | (xii) | Monthly salary bill is expected at shs.3,000,000 but this is to increase by 10% monthly after two months. |
|  | (xiii) | The monthly commission to be paid to sales workers shall be 2% of each month’s cash sales. |
|  |  | **Required;** |
|  | (a) | Prepare Kazibure’s cash flow plan for the months of June to September 2024. |
|  | (b) | Comment on the trend of the net cash position. |
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| 16. | The following information was extracted from records of Mjomba traders for the period ended 31.12.2021 | |
|  | |  |  | | --- | --- | |  | **SHS** | | Stock (31.12.2021) | 4,000,000 | | Stock (01.01.2021\_ | 5,000,000 | | Total operating expenses | 2,000,000 | | Stock turnover | 2.67 times | | Net sales | 20,000,000 | | Gross profit margin | 40% | | Creditors | 3,000,000 | | Debtors | 1,500,000 | | Total fixed assets | 8,000,000 | | Cash at hand | 1,200,000 | | Cash at Bank | 1,300,000 | | Commission received in advance | 1,000,000 | | |
|  |  | |
|  | **Required to:** | |
| (a) | Calculate the value of: | |
|  | (i) | Cost of sales |
|  | (ii) | Goods available for sale |
|  | (iii) | Employed capital |
|  |  |  |
| (b) | Calculate and interpret; | |
|  | (i) | Net profit margin |
|  | (ii) | Cash ratio |
|  | (iii) | Working capital ratio |
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| 17. | (a) | The following are the gross monthly salaries for the employees of JEM enterprises for last year. |
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|  | Onyait Jose shs.235,000; Ekubu Vincent shs.334,000. Asianut Esther shs.410,000 and Adeke Joy shs.760,000. | |
|  |  |  |
|  | The business uses the following tax rates to compute workers’ PAYE | |
|  | |  |  | | --- | --- | | **Monthly chargeable income** | **Rate of tax per month** | | Not exceeding shs.235,000 | Nil | | Exceeding shs.235,000 but not exceeding shs.335,000. | 10% of the amount by which chargeable income exceeds shs.235,000. | | Exceeding shs.335,000 but not exceeding shs.410,000. | Shs.10,000 plus 20% of the amount by which chargeable income exceeds shs.335,000. | | Exceeding shs.410,000 but not exceeding shs.10,000,000. | Shs.25,000 plus 30% of the amount by which chargeable income exceeds shs.410,000. | | |
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|  | **Required:** | |
|  | Compute the amount of Pay As You Earn (PAYE) expected to be paid by each employee per month. | |
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|  | (b) | JEM enterprises is VAT registered and it carried out the following VAT exclusive transactions during a given month.   |  |  |  | | --- | --- | --- | | **Items** | **Purchases (shs)** | **Sales (shs)** | | Bags | 40,000,000 | 59,000,000 | | Clothes | 64,000,000 | 80,000,000 | | Watches | 30,000,000 | 57,000,000 | |
|  | **Required:** | |
|  | Using the VAT rate of 18%; | |
|  | (i) | Compute the VAT paid on each item. |
|  | (ii) | Determine the amount the consumer paid for watches (VAT inclusive) |
|  |  |  |
|  | (c) | The following tenants rent Murembo’s houses. |
|  |  | |  |  |  | | --- | --- | --- | | Tenant | Nature of house | Rent per month (shs) | | Mutajiri | Self contained | 800,000 | | Masikini | Ordinary | 350,000 | |
|  |  |  |
|  | The Income Tax Act provides the following: | |
|  | * 75% allowable expenses are deducted from gross rental income. | |
|  | * Income tax is 30% of chargeable rental income. | |
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|  | Required to compute for the year: | |
|  | (i) | Gross rental income |
|  | (ii) | Chargeable rental income |
|  | (iii) | Rental income tax paid to URA. |

**PART V: PAPER THREE (P230/3)**

**SECTION A: CASE STUDY**

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

In recent years, especially during the credit crunch and COVID-19 pandemic, business ventures have been operating below expectation due to difficulties of obtaining resources and decreased market demand.

An upcoming entrepreneur, Aunt Safari who operates a restaurant, craft shop, gym and spa services within the complex, has not been spared by the down turn in business much as she has done all it takes to ensure success of her enterprise by employing skilled personnel, putting in place tight security, motivating staff, upgrading technology and ensuring proper monitoring and supervision of personnel. Despite additional effort of frequently carrying out market research and trying to expand customer base, Aunt Safari has failed to establish accurately the market potential for her products and services. Her strategy of offering credit to attract customers has instead led to many debtors. A good percentage of buyers continue to return crafts to the enterprise. Hence, her application for VAT registration has been rejected by URA.

Much as Aunt Safari networks with financial institutions, competitors, credit bureaux, suppliers, other traders and customers to address her challenges, her dream to become a prominent business lady in Uganda and be recognized by UIA and receive awards is in balance.

1. State the likely reasons why goods may be returned by the buyers to the enterprise.
2. In what ways does Aunt Safari minimise business risks?
3. (i) Mention the sources from which Aunt Safari establishes the credit worthiness of her customers.

(ii) Suggest measures for Aunt Safari to take to induce debtors to pay back promptly.

1. Identify the types of financial institutions in Uganda that can provide services to entrepreneurs like Aunt Safari.
2. Advise Aunt Safari on the factors that influence the potential market of the business.

**SECTION B: SCHOOL BUSINESS CLUB**

**19. With reference to a business venture owned by your School Entrepreneurship Club:**

1. Present the general description of the enterprise.
2. List the challenges you faced when selecting the business opportunity you took up.
3. Explain the factors you considered when determining the working capital requirements of the business.
4. Describe the contents of the market survey guide you used.
5. Outline the pre-operating expenses you met in the business project.

**20. In relation to a business enterprise started and managed by your School Business Club.**

1. Mention the type of business and its product / service offered.
2. What management functions did your club executives perform in the enterprise?
3. Describe the characteristics of the business environment that affected your enterprise.
4. Explain the factors you considered when choosing the form of business organisation/ownership you set up.
5. Outline the activities you carried out when marketing your products/services.

**SECTION C: FIELD ATTACHMENT / FIELD TRIP**

**21. For any business project you were attached to:**

1. describe the enterprise
2. in what ways does the enterprise protect its intangible assets like invention, design, literacy or artistic work arising from its creativity?
3. advise the entrepreneur about what he/she should focus on when presenting a business plan to the stakeholders of the project.
4. how does the entrepreneur promote the business?
5. explain the various business laws the enterprise observes.

**22. With reference to a business field trip you made as an individual or a group.**

(a) (i) describe the nature of the business.

(ii) State the objectives of the field trip.

(b) outline the challenges you faced during the field trip.

(c) advise the business owner on proper environmental impact assessment policy the enterprise needs to have.

(d) describe the terms of sale being applied in the business.

(e) explain the means of payment the enterprise uses to minimise cash shortfalls.

-**END-**