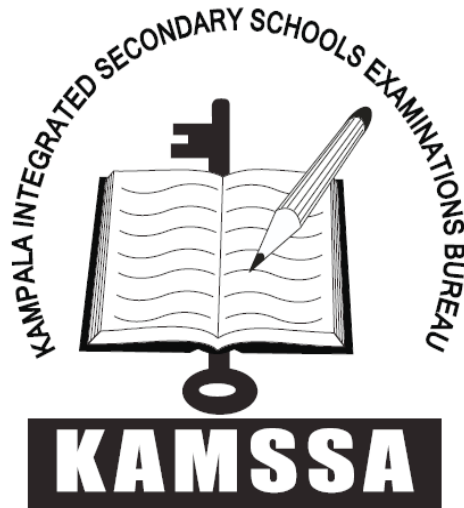


845/1
ENTREPRENEURSHIP
EDUCATION
Paper 1
JAN/FEB 2021

2 I/2 hours



***KAMSSA* JOINT MOCK EXAMINATIONS**

Uganda Certificate Of Education

ENTREPRENEURSHIP EDUCATION

Paper 1

2hours30minutes

Instructions to candidates:

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

1. You intend to start a motorcycle spare parts shop in your village.
 - (a) Outline the working capital requirements for your business. (5mks)
 - (b) What factors will you consider when choosing the suppliers of spare parts to your shop? (7mks)
 - (c) Explain the environmental concerns you will put into consideration while operating your business? (7mks)
 - (d) Mention the business ethics you will observe towards your customers?(6mks)
2. The following information was obtained from the books of **FOUNTAIN TRADING COMPANY LTD** on 31st December 2016.

Particulars	Shs.
Capital	120,000,000
Purchases	86,000,000
Sales	100,000,000
Opening stock	30,000,000
Closing stock	25,000,000
Drawings	13,000,000
Stationery	550,000
General expenses	900,000
Rent	900,000
Motor expenses	500,000
Commission income	500,000
Buildings	130,000,000
Debtors	10,000,000
Creditors	15,000,000
Bank overdraft	9,000,000
Machinery	59,000,000
Debentures	83,650,000

- (a) Prepare the Company's Balance Sheet. (13mks)
 - (b) Compute the;
 - (i) Current ratio (3mks)
 - (ii) Acid test ratio (3mks)
 - (iii) Fixed capital (3mks)
 - (iv) Gross profit ratio. (3mks)
3. You plan to start an Aquaculture project in your local area.
 - (a) What factors will you consider when locating your project? (7mks)
 - (b) In what ways will your project depend on the natural environment? (6mks)
 - (c) What elements will you include in your marketing plan? (6mks)
 - (d) How will your project damage the natural environment? (6mks)

4. **BASAMAVU GENERAL ENTERPRISES** had the following balances on 1st October 2013.

	Shs.
Cash in Hand	200,000
Cash at Bank	2,190,000
<u>Debtors:</u>	
Lutalo	210,000
Luyombo	225,000
Kulwana	323,000
<u>Creditors</u>	
Muswavu	120,000
Namaswals	154,000
Machinery	220,000
Stock	500,000

The following transactions took place during the month of October 2013

October	2.	Bought goods from Namaswala on credit	shs.	150,000
"	3.	Received cash from Lutalo in full settlement of her debt.		
"	5.	Paid Namaswala all the amounts due to her by cheque.		
"	8.	Bought goods by cheque	shs.	810,000
"	10.	Withdrew cash from the bank for business use	shs.	100,000
"	12.	Paid for transport by cash	shs.	50,000
"	13.	Paid Muswavu by cash shs. 115,000 in full settlement of her account.		
"	15.	Sold goods and received cash	shs.	635,000
"	16.	Banked cash received on 15th October 2010		
"	18.	Luyombo settled her account by cheque.		
"	20.	Bought goods and paid cash shs. 150,000 and a cheque	shs.	350,000
"	24.	Received a cheque from Kulwana fully paying her account.		
"	25.	Drew cash from the bank for personal use	shs.	400,000
"	28.	Sold goods and received a cheque of	shs.	720,000
"	29.	Paid wage in cash	shs.	30,000
"	30.	Bought office furniture and paid a cheque of	shs.	720,000

- (a) You are required to prepare a two-column cashbook for **BASAMAVU GENERAL ENTERPRISES** for the month of October 2010. (20mks)
- (b) Why should the business keep proper business records? (5mks)

5. You have been appointed as the Cash Manager of **SBC SUPERMARKET**.
- (a) How will you manage cash in the supermarket? (5mks)
 - (b) Describe the subsidiary books of accounts you will maintain in the supermarket for the different transactions. (6mks)
 - (c) What business laws will you advise the owner to observe when conducting the business activities in order to ensure success of the business? (8mks)
 - (d) Explain the measures you will put in place to minimize the risks in the supermarket. (6mks)

END