

845/1
ENTREPRENEURSHIP EDUCATION
PAPER 1
JULY 2019
2:30 MINUTES



MOCK EXAMINATIONS 2019
Uganda Certificate of Education
ENTREPRENEURSHIP EDUCATION
PAPER 1
TIME: 2 ½ HOURS

INSTRUCTIONS TO CANDIDATES:

- Answer **Four** questions
- All questions carry equal marks
- Credit will be given for use of relevant diagrams and illustrations
- Additional question(s) answered **will not** be marked

Question 1. You have acquired a loan worth Shs 10,000,000 to set up a poultry project.

- a) Prepare a budget for the project. (06 marks)
- b) Explain the factors you will consider when recruiting workers of the project.(07 marks)
- c) How will you ensure proper management of the loan acquired? (06 marks)
- d) Prepare a marketing plan for your business. (06 marks)

Question 2. The following transactions were extracted from the books of KIKANKANE ENTERPRISES for the month of December 2017.

1st December 2017.

Balance b/d Cash in hand Shs 89,000,000

Balance b/d Cash at bank Shs 130,000,000

3rd Dec. bought Furniture for business use by cash Shs 14,000,000

4th Dec. bought goods by cheque Shs 8,000,000

6th Dec. withdrew money from bank for business use Shs 40,000,000

8th Dec. paid for insurance by cash Shs 2,000,000

10th Dec. sold goods on credit to KAMILA Shs 7,000,000

14th Dec. bought goods on credit from DIMPO Shs 6,500,000

16th Dec. cash sales were worth Shs 9,400,000

19th Dec. paid salaries by cheque Shs 20,000,000

20th Dec. KAMILA cleared her account using cheque

23rd Dec. some cash was banked Shs 9,300,000

24th Dec. paid part of DIMPO's money by cheque Shs 4,500,000

27th Dec. bought goods by cheque worth Shs 8,400,000

29th Dec. sold old furniture by cheque Shs 5,000,000

30th Dec. bought a vehicle by cheque Shs 30,000,000

31st Dec. received a cheque from sales Shs 2,000,000

31st Dec. banked all cash.

Prepare:

- a) Double column cash book and record the above transactions. (11 marks)
- b) Open up relevant ledger accounts and complete double entry (14 marks)

Question 3. You are operating a bakery project with in your home town as a family business.

- a) Give **four** challenges encountered by using family members in the enterprise. (04 marks)
- b) Explain the benefits enjoyed by the enterprise through ensuring proper inventory management. (06 marks)
- c) Show an illustration of the communication process in your enterprise. (07 marks)
- d) i. Explain **4** factors you consider when selecting the site of your enterprise. (04 marks)
- ii. How does the enterprise benefit the local community. (04 marks)

Question 4. The following information was extracted from the books of ABENAKYO for the period ended 31st-Dec-2018

DETAILS	SHS
Cash in hand	4,200
Cash at bank	8,000
Stock 1 st -01-2018	10,000
Creditor	10,000
Return in words	1,500
Return out words	1,000
Sales	56,000
Purchases.....	31,500
Salaries	4,000
Water and electricity	600
Postage.....	200
Drawings.....	200
Furniture	75,000
Motor van	35,000
Loan	30,000
Commission received.....	1,200

Carriage in words	700
Carriage in words	1,000
Capital	82400
Advertising expenses	10,000
Stock 31-Dec-2018	13,500

Required:

- a) i. ABENAKYO'S trial balance as at 31st –December-2018. (09 marks)
- ii. Give four errors not disclosed by the trial balance. (04 marks)
- b) Extract an Income statement for the year ended 31st –December-2018. (08 marks)

- c) Compute and interpret the following ratios.
- i. Gross profit margin. (02 marks)
- ii. Acid test ratio. (02 marks)

Question 5. You are operating a wholesale business in your community.

- a) Explain the information obtained when carrying out market research. (04 marks)
- b) Write a termination letter to a worker who abused a customer. (06 marks)
- c) Describe the various business laws you abide by while conducting business activities. (06 marks)
- d) Explain the factors considered when selecting a mode of transport for your merchandise. (08marks.)

END