

RESOURCEFUL MOCK EXAMINATIONS 2017

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP EDUCATION

P230/2

3 hours

Instructions to the Candidates:

- ✓ *Answer four questions.*
- ✓ *All questions carry equal marks.*

1. You have established a soft drink plant and you are looking forward towards expanding it by introducing a new brand.
 - a) Design a market survey guide you will use when carrying out a market research. (8 marks)
 - b) Present a production plan for your business. (7 marks)
 - c) Draft a purchase order for materials to be used. (5 marks)
 - d) Develops guidelines for customer care to your workers. (5 marks)

2. You have established a project dealing in agricultural produce which is expanding rapidly and you have decided to recruit more man power to handle the expansion requirements.
 - a) Present a job application form. (6 marks)
 - b) Design a program for recruitment for workers. (7 marks)
 - c) Prepare rules and regulations for the workers. (7 marks)
 - d) Draft a stock ledger to be used in your business. (5 marks)

3. You are a production manager of gifted hands entrepreneurs. You have received complaints from students about declining quality of your products and you have agreed to acquire a loan to improve on the quality.
 - a) Design a loan repayment schedule. (6 marks)
 - b) Prepare quality policies for your products. (8 marks)
 - c) Present a budget for the loan funds. (7 marks)
 - d) Draft an advert for gifted hands entrepreneurs. (5 marks)

4. The following information was obtained from the books of Movit enterprises Ltd for the year ended 2014.
- i) The business had cash of Shs 200,000 on 1st of March 2014
 - ii) The business expects to sell goods every month worth Shs 20 million and receive only 80% in the month of sale and the remaining balance is received the following month.
 - iii) Monthly projected salaries for 50 workers were Shs 150,000 per worker.
 - iv) The business hopes to get a loan of Shs 2,000,000 in April.
 - v) The monthly interest on the loan is 5% payable after one month grace period.
 - v) The business expects donations in cash worth Shs 3,000,000 per month but this is expected to reduce by 10% after the first three months.
 - vi) Monthly rent income is expected to be Shs 5,000,000 but this is expected to increase by 3% after the first two months.
 - vii) The business hopes to buy premises cash worth Shs 35,000,000 in the first month.
 - viii) Monthly cash purchases Shs 6,000,000
 - ix) The business bought machinery in the month of April at Shs 15,000,000 and paid Shs 7,000,000 the balance is to be paid into two equal installments in the following months.
- Required:
- a) Prepare a cash flow statement for four months. (20 marks)
 - b) How can the business avoid a cash flow deficit? (5 marks)
5. You are operating a small clay workshop and you want to expand the workshop by recruiting more workers.
- a) Prepare an induction program for the new workers. (8 marks)
 - b) Write a letter inviting all heads of department to a man power planning meeting. (6 marks)
 - c) Develop guidelines to be followed to ensure safety of the work pace. (6 marks)
 - d) Design an administrative structure of your business. (5 marks)

6. The following trial balance was extracted from the books of Muko and sons enterprises Ltd as at 31st December 2014.

Details	Debit (Shs)	Credit (Shs)
Capital		10,000,000
Purchases	4,000,000	
Fixtures and fittings	850,000	
Moto lorry	2,500,000	
Sale		6,500,000
Discounts	5,000	4,500
Rent received		5,500
Insurance	354,000	
Transport	281,000	
Electricity	25,000	
Debtors	2,500,000	
Creditors		844,500
Rates	15,000	
Stock 1 – 1 – 2014	380,000	
Salaries and wages	220,000	
Bad debts	44,000	
Drawings	15,000	
Bank balance	5,900,000	
Cash balance	110,500	
Total	17,354,500	17,354,500

Additional information:

- i) Depreciation on fixtures and fittings was provided at 2% and 5% for motto lorry per annum.
- ii) Un sold stock on 31st December 2014 was Shs 220,000.

- iii) Of the electricity paid Shs 2,000 was advance and Shs 1,000 for rent was prepaid Shs 16,000 was outstanding in respect of insurance.

REQUIRED:

- a) i) Rate of stock turn over. (3 marks)
ii) Gross profit ratio (3 marks)
iii) Acid test ratio (3 marks)
iv) Average credit period for debtors in months. (3 marks)
v) Net capital employed (3 marks)
- b) Prepare a balance sheet for Muko and sons enterprises Ltd as at 31st December 2014. (10 marks)

END