

P230/2
Entrepreneurship
Education
Paper 2
2 ½ hrs

INTERNAL MOCK EXAMINATIONS -2019

UGANDA ADVANCED CERTIFICATE OF EDUCATION

ENTREPRENEURSHIP EDUCATION

Paper 2

Time: 2hours 30minutes

INSTRUCTIONS TO CANDIDATES:

- *Attempt only **four** questions.*
- *All questions carry equal marks.*

1. You own a medium sized shoe making project;
 - a) Present a programme for undertaking an insurance policy.
 - b) Write a new cash management policy for the business
 - c) How is your business socially responsible?
 - d) Design a caller's book for business use.

2. The following information was got from the business of NANYONDO AND SONS for the month of Jan April 2014.

i) Opening balance on 1st Jan 2014 was 320,000

ii) Sales were units;

Jan	800
Feb	900
March	700
April	100

Each unit is sold at shs.500 and sold on cash basis.

iii) Loan from centenary bank;

Jan	-
Feb	500,000
March	-
April	300,000

iv) Receipt from debtors;

Jan	-
Feb	100,000
March	80,000
April	30,000

v) The production of raw materials in units were as follows;

Jan	700
Feb	800

March	900
April	1000

The above production raw materials cost is shs.200 per unit.

vi) Labour cost were as follows

Jan	150,00
Feb	120,000
March	100,000
April	140,000

vii) Fixed costs of shs 20,000 are paid monthly;

viii) A motor van was to be bought and paid for in March for shs.1, 000,000.

Required

- a) Prepare the cash flow statement for the 4 months ending 30th April 2014.
 - b) State the Net cash position
3. You own a medium sized shoe making project;
- a) Present a programme for undertaking an insurance policy.
 - b) Write a new cash management policy for the business.
 - c) How is the business socially responsible?
 - d) Design a caller's book for business use.
4. You are the general manger of a poultry farm operating as a social enterprise. You plan to expand your market share as well as improve on the general management.
- a) Write a theory of change of the enterprise;
 - b) Select a suitable medium and use if to promote your exercise.
 - c) Design an application form to be used in the recruitment exercise.

- d) Draft the instructions that your employees should follow to observe quality.

5. The following balances were extracted from the financial statement of NAKALIISA Enterprise at the end of 2016.

Details	shs '000'
Turn over	160,000
Net purchases	84,000
Accounts payable	7,000
Stock 1/1/2016	5,800
Total operating expenditure	3,600
Noncurrent Assets	4,200
Owner's equity	12,000
Bank	14,400
Cash	48,000
Outstanding rent	3,200
Accrued electricity	1,000
Interest on loan	2,400
	2,000
	4,000

Required: compute and interpret the following ratios for the business

- i) Profit mark up
- ii) Margin
- iii) Net profit ration
- iv) Credit payment period in weeks
- v) Debtors days
- vi) Stock turnover period
- vii) Return on Equity

END