

845/1
Entrepreneurship
Education
Paper 1
2024
2½ hours



UGANDA NATIONAL EXAMINATIONS BOARD

Uganda Certificate of Education

ENTREPRENEURSHIP

Paper 1

2 hours 30 minutes

INSTRUCTIONS TO CANDIDATES

*This paper consists of sections **A** and **B**. It has **five** examination items.*

*Section **A** has **three** compulsory items.*

*Answer **one** item from Section **B**.*

*Answer **four** examination items in all.*

*Any additional item(s) answered will **not** be scored.*

*All answers **must** be written in the answer booklet(s) provided.*

SECTION A

Answer all items in this section.

Item 1:

Gonzag has an acre of land next to a lake. He has saved UGX4,000,000 and would like to use these resources to start a business. However, he is not sure of what to do.

Task:

Use your entrepreneurial skills to guide Gonzag;

- (a) select a viable type of business.
- (b) budget for the selected business.
- (c) register the business.

Item 2:

Mariam is operating a tailoring business in her home town. She employs five workers who usually conflict on their roles especially when taking measurements, cutting, sewing, fixing button or zips and ironing clothes of customers.

The business has three manual sewing machines. When Mariam gets many orders from her customers, she fails to complete the work in time and sometimes fails to finish sewing them neatly. Other customers are also complaining that their orders are either forgotten or given clothes that are not theirs. This has made many customers to take their clothes to other tailors.

Mariam is planning to buy more machines but she is not sure from where to buy them.

Task:

- (a) Identify the qualities demonstrated by Mariam as an Entrepreneur.
- (b) How can Mariam solve the challenges in the scenario as an Entrepreneur?

Item 3:

Joseph owns a bakery in a trading centre in his home area. He recruited employees who start working from 5:00 am to 11:00 pm at a pay of UGX1,500 per day yet none of them has a working contract. The town council authorities have threatened to close Joseph's business for not paying taxes. Joseph does not know the taxes to pay. At times, customers return bread bought to Joseph claiming that it weighs less than what is indicated on the label.

Last week, there was a short circuit that caused fire in the bakery. An oven was destroyed and production in the bakery stopped for two days. The bakery delivery van which had a comprehensive insurance policy was also stolen. Joseph is now confused and is wondering whether he should close the business or continue with it.

Task:

- (a) What are the likely effects of Joseph's behaviour on the business?
- (b) Explain to Joseph how he should solve the challenges in the scenario.

SECTION B

Answer one item from this section.

Item 4:

Juma trades in farm produce but lacks book-keeping skills. He employed Sarah as the accounts assistant. Unfortunately, Sarah left the job before checking the arithmetic accuracy of the balances extracted from the business ledger and determine the profit or loss of the business as at 31/12/2023. The balances were as follows.

ITEM	UGX
Stock (1st January, 2023)	4,100,000
Purchase of farm produce	5,700,000
Purchases returns	1,100,000
Sale of farm produce	10,200,000
Sales Returns	1,200,000
Land and Buildings	44,400,000
Vehicle	13,000,000
Transport	700,000
Weighing scale machine	500,000
Capital	63,460,000
Furniture	3,500,000
Debtors	600,000
Creditors	1,300,000
Electricity bills	200,000
Salaries and wages	2,160,000
Stock (31st December, 2023)	2,200,000

Task: Prepare for Juma the relevant business financial statements.

Item 5:

In January 2023, Michael's Cashier left for another job before preparing the financial statements for the business. The Cashier left the details obtained from the ledger balances of the restaurant for the year ending 31st December 2023 as follows;

ITEMS	UGX
Capital	6,850,000
Sales	5,200,000
Purchases	3,800,000
Cash at hand	5,720,000
Furniture	600,000
Discount received	400,000
Refrigerator	1,200,000
Creditors	870,000
Repairs for refrigerator	320,000
Drawings	1,100,000
Electricity bills	1,440,000
Salaries and wages	1,800,000
Stock of food items (31/12/2022)	720,000
Bank loan	2,660,000

However, Michael is too busy to complete the process.

Task:

Prepare for Michael the relevant financial statements to;

- (a) check the arithmetic accuracy of the ledger balances.
- (b) determine the profit or loss made by the business.