

Name:..... Rand №.....

School:Signature.....

P230/2
ENTREPRENEURSHIP
EDUCATION
PAPER 2
JULY/AUG 2024
3 hours



ASK INTEGRATED TEACHER'S MOCK
EXAMINATIONS BUREAU

AITEL JOINT MOCK EXAMINATIONS 2024.

Uganda Advanced Certificate of Education

Entrepreneurship Education

Paper 2

3 Hours

Instructions to Candidates:

*Answer any **four** questions in all.*

Any additional questions answered will not be marked.

Credit will be given for use of relevant diagrams and illustrations

All answers must be written in the answer booklet provided.

1. You have been elected a Youth leader in your home town and you intend to start a micro-finance project to lend money to youths who would wish to start businesses in order to generate income for themselves.
 - a) Write a letter to the District licensing Authority for permission to register your project. (07 marks)
 - b) Draw a programme for the launch of the project where you have invited other community leaders and the LC5 chairperson of the district as the Guest of honour. (06 marks)
 - c) Prepare a loan amortization schedule for a customer who wants to borrow Shs. 2,500,000 at an interest rate of 15% on diminishing balance per month payable with a period of 5 months in equal installments. (07 marks)
 - d) Design a cash deposit slip that will be used by your customers. (05 marks)

2. Your Agricultural produce store is involved in the processing and marketing of a variety of agricultural products. You have allocated Shs. 25,000,000 to be used to improve on marketing operations.
 - (a) Formulate guidelines for ensuring business success. (07 marks)
 - (b) Prepare a marketing expenses budget for the business. (06 marks)
 - (c) Write a bid notice for supply of beans to the store. (06 marks)
 - (d) Design an invoice to be used by the business. (06 marks)

3. You own a wholesale shop which uses various ways to promote sales and also involves in creative selling. Recently you realized you undercharged a customer who bought 50kgs of sugar worth Shs 500,000 on credit.
 - a) Prepare an appropriate document to address the issue you realized. (06 marks)
 - b) Propose a credit policy for your business. (07 marks)
 - c) Develop a newspaper advert for promoting your business products. (06 marks)
 - d) Draw a programme for effective creative selling. (06 marks)

4. You are the General Manager of a cooking oil factory in Mukono District. You received a grant Shs. 20,000,000 to expand it by opening another branch.
 - a) Prepare a management tool for proper implementation of all proposed activities. (05 marks)
 - b) Explain the guidelines you will follow when purchasing new machinery. (06 marks)
 - c) Describe factors you will consider as you are locating the new branch. (06 marks)
 - d) Present a SWOT analysis for your business. (08 marks)

5. (a) NDI MU SSANYU Enterprises is a VAT registered business which deals in buying and selling of goods. During the month of May 2024 the business carried out the following transactions for different commodities.

Item	Purchases (Shs) VAT inclusive		Sales (Shs) VAT exclusive	
	Quantity	Unit price	Quantity	Unit Price
Sugar	15 bags	50,000	15 bags	65,000
Salt	20 cartons	25,000	20 cartons	35,000
Soap	10 boxes	15,000	10 boxes	25,000
Blue band	5 boxes	30,000	5 boxes	40,000
Cooking oil	10 jerry cans	110,000	10 jerry cans	150,000

Required:

Using a VAT rate of 18% compute;

- (i) Input tax for each item (05 marks)
- (ii) Output tax for each item (05 marks)
- (iii) VAT liability for each item. (05 marks)
- (iv) Sales value for each item (VAT inclusive) (05 marks)

(b) Yoweri Kyagulanyi is an employee of NDI MU SSANYU Enterprises who earns Shs. 430,000 as his basic salary per month, he also earns a weekly transport allowance of Shs. 20,000 and 5% of the monthly basic salary as medical allowance per month.

Using the income tax bracket below:

Chargeable Income	Tax rate per month
Shs 410,000 per month and above	Shs. 25,000 + 30% of the amount exceeding Shs. 410,000

Calculate the income tax paid by Yoweri Kyagulanyi for the second quarter of the year. (05 marks)

6. (a) List any three uses of a cash flow plan. (03 marks)
- (b) MASAVU TRADERS LTD. Has availed you with the following projections for the last four months of the year 2024.
 - i. On 31st August 2024 balance carried down Shs. (68,000,000).
 - ii. The business expects to sell goods worth Shs. 30,000,000 per month and receive cash. However this is expected to increase by 10% after the first three months of operation.
 - iii. Credit sales are expected to be 80% of each month's cash sales. Debtors will pay in the month following the month of sale.

- iv. Monthly cash purchases are expected to be Shs. 70,000,000 at a discount of 5% per month. This is expected to decrease by 10% monthly after the second month.
- v. The business expects a grant of Shs. 14,000,000 in the 3rd month and a car worth 12,000,000 in the first month.
- vi. Monthly commission income is expected to amount to Shs. 10,000,000. This will reduce by 5% in the second month and 10% in the last month.
- vii. Monthly Salary bill will amount to Shs. 400,000 per worker. The business employs 20 workers and 5 workers are expected to leave in the last month.
- viii. Any cash shortfall is to be offset with a loan at the beginning of the next month with an interest of 10% payable per month.
- ix. Monthly credit purchase are expected to be Shs. 10,000,000. Creditors will receive 70% of the payment instantly and the balance after a grace period of one month less a discount of 5%.
- x. The business expects to sell part of the business land at Shs. 25,000,000 in the first month and receive Shs. 10,000,000 immediately. The balance is to be received in the following months in three equal installments.
- xi. The business owner took goods worth Shs. 1,000,000 in the second month as he was going to visit his relatives in the village.

Required;

- (i) Prepare a cash flow budget for the last four months of 2024. (18 marks)
- (ii) What do you make of the Net cash position? (04 marks)

END