

845/1

ENTREPRENEURSHIP

EDUCATION

Paper 1

Jul/Aug 2019

2 ½ Hours



MUKONO EXAMINATION COUNCIL

Uganda Certificate of Education

ENTREPRENEURSHIP EDUCATION

Paper 1

2 Hours 30 Minutes

INSTRUCTIONS TO CANDIDATES

*Answer only **four** questions*

All questions carry equal marks

Credit will be given for use of relevant diagrams and illustrations.

*Any additional question(s) answered will **not** be marked.*

1. You have been employed as a Finance Manager in a SACCO in Jinja town.
 - a) Design a cheque to be used in your SACCO **(06 marks)**
 - b) How will the SACCO benefit the members in the community? **(07 marks)**
 - c) Write down guidelines to be followed before giving out loans. **(07 marks)**
 - d) Draw a programme for recovering dues from debtors in your SACCO. **(05 marks)**

2. Ibanda bought 20 boxes of powdered milk each at shs 40,000. He later sold each box at a profit of shs 5,000 each.
 - a) Compute to the entrepreneur;
 - (i) Sales value **(03 marks)**
 - (ii) Input VAT **(03 marks)**
 - (iii) Output VAT **(03 marks)**
 - (iv) VAT payable to URA **(03 marks)**
 - b) State any five (5) advantages of indirect taxes. **(05 marks)**
 - c) State reasons why people resist payment of taxes. **(04 marks)**
 - d) Suggest ways of improving on the revenue collected by the tax authority. **(04 marks)**

3. You are a general manager of a bakery which is operating as a partnership.
 - a) Write a notice inviting all shareholders to an annual general meeting. **(06 marks)**
 - b) Write down a partnership deed for the formation of your business. **(08 marks)**
 - c) Under what circumstances may a new partnership be formed? **(06 marks)**
 - d) Draw a chain of distribution of your goods. **(05 marks)**

4. Tibakyenda general enterprises had the following records for the month of June 2015.

2015 June 7, 2019

 - 1st cash balance shs 58,000
 - 1st Bank overdraft shs 147,000
 - 3rd further capital paid into the bank shs 10,000
 - 4th bought furniture by cheques shs 78,000
 - 6th cash sales shs 2,200
 - 7th Banked cash shs 2,000
 - 10th cash sales to date shs 5,000
 - 12th paid motor expenses in cash shs 7,700
 - 14th cash withdrawn from the bank shs 4,000
 - 18th salaries paid cash shs 2,100
 - 20th paid insurance by cheques shs 1,500
 - 26th cash drawings shs 12,000
 - 28th cash sales by cheques shs 15,400

a) Write up a cashbook using the information above. **(18 marks)**

b) Transfer the entries to the relevant ledger accounts. **(07 marks)**

5. The following trial balance was extracted from the books of Mujobe General Traders as at 31st December 2018.

Details	Debits (shs)	Credit (shs)
Sales		128,000
Purchases	90,000	
Returns inwards	6,000	
Returns outwards		5,000
Carriage inwards	10,000	
Stock (1 st Jan, 2018)	28,000	
Rent	4,000	
Advertising	8,000	
Premises	122,000	
Machinery	75,000	
Debtors	18,000	
Creditors		31,000
Bank loan (2 years)		60,000
Cash in hand	14,000	
Cash at hand	27,000	
Drawings	10,000	
Discount allowed	5,000	
Discount received		6,000
Commission received		20,000
Capital		190,000
Carriage outwards	8,000	
Wages and salaries	15,000	
Total	440,000	440,000

Stock at 31st December, 2018 shs 48,000

Required;

- a) Calculate the following;

(i) Cost of sales **(04 marks)**

(ii) Gross profit **(03 marks)**

(iii) Net profit **(03 marks)**

(iv) Current ratio **(03 marks)**

- b) Extract a balance sheet as at 31st December, 2018 **(12 marks)**

- **End** -

