

P230/2
ENTREPRENEURSHIP
EDUCATION

Paper 2
3 hrs.

STANDARD HIGH SCHOOL ZZANA

Uganda Advanced Certificate of Education

Entrepreneurship Education

Paper 2

3 hours

INSTRUCTIONS TO CANDIDATES

*Answer any **four** questions only.*

***All** questions carry equal marks.*

*Additional question(s) shall **not** be marked.*

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

Turn Over

1. You have taken over a declining juice processing plant.
 - (a) Develop a root cause analysis for the declining sales. (06 marks)
 - (b) Design a questionnaire to be used to obtain information from clients as you aim at reviving the processing plant. (07 marks)
 - (c) Draft a programme for recruiting new and skilled employees. (07 marks)
 - (d) Write a termination letter to the chief cashier because of being incompetent. (05 marks)
2. You are operating a fast growing bakery and you would like to establish a new branch. Indeed you have set aside shs 45,000,000 to be spent on fixed capital requirements:
 - (a) Prepare a fixed capital expenditure budget. (05 marks)
 - (b) Prepare a marketing plan for your business. (06 marks)
 - (c) Formulate guidelines to ensure quality in your business. (07 marks)
 - (d) Design an invoice to be used in your business. (07 marks)
3. You are a human resource manager of a modern welding business and you would like to recruit workers:
 - (a) Develop a programme for recruiting workers. (07 marks)
 - (b) Design a job application form to be used in the business. (05 marks)
 - (c) Formulate guidelines for effective time management in your business. (07 marks)
 - (d) Write a quotation to a customer who has picked interest in your products. (06 marks)
4. You have established a social enterprise aimed at reducing killer diseases brought about by poor hygiene and sanitation:
 - (a) State the objectives of the enterprise. (05 marks)
 - (b) Develop a GEPIC structure for advocacy for promoting your business mission. (06 marks)

- (c) Prepare policy guidelines to promote hygiene and sanitation. (07 marks)
- (d) Prepare an action plan for implementing planned business activities. (07marks)

5. The following is a summarized income statement extracted from the books of Otim at the end of his trading period on 30th / 06 / 2016.

	Shs	Shs	Shs
Sales		40,000,000/=	
Less returns inwards		500,000/=	
Net sales			39,500,000/=
Less cost of sales			
Opening stock		10,000,000/=	
Add net purchase		34,380,000/=	
Goods available for sale		44,380,000/=	
Less closing stock		12,000,000/=	
Cost of sales			32,380,000/=
Gross profit			7,120,000/=
Less operating expenses			5,210,000/=
Net profit			1,910,000/=

The following balances were also provided.

Total current assets	shs	13,232,000/=
Total fixed assets	shs	6,000,000/=
Total current liabilities	shs	1,222,000/=
Total creditor	shs	700,000/=

- (a) Compute the value of:
- (i) Profit mark up. (03 marks)
- (ii) Employed capital. (03 marks)

Turn Over

- (b) Calculate and interpret:
- (i) Working capital ratio. (04 marks)
 - (ii) Acid test ratio. (04 marks)
 - (iii) Credit payment period in weeks. (04 marks)
 - (iv) Rate of stock turn. (04 marks)
 - (v) Gross profit margin. (03 marks)

6. (a) Study the following table and answer the questions that follow.

Tax payer	Taxable income (shs)	Tax rate (%)
Saulo	9,000,000/=	15
Duncan	6,800,000/=	14
Prossy	5,700,000/=	13
Sanyu	10,000,000/=	16

Required to:

- (a) Calculate the tax liability for each tax payer. (08 marks)
- (b) Given that the threshold for rental tax is Shs 2,820,000/= and the tax rate for rental income being 20%, calculate the rental tax payable by land lords who earned the following rent income in the year 2016. (12 marks)
 - (i) Susan shs 12,000,000/=
 - (ii) Lwanga shs 14,000,000/=
 - (iii) Odomello shs 16,200,000/=
 - (iv) Dionga shs 11,800,000/=
- (c) Give reasons for the popularity of indirect taxes in Uganda. (05 marks)

END

