

SET 2

Entrepreneurship Education 845/1

Paper 1

2016

2 Hours 30 Minutes

Instructions:

- Answer only 4(four) questions
 - All questions carry equal marks
 - Credit will be given for use of relevant diagrams and illustrations
1. You have secured a loan of Shs. 10,000,000 at an interest of 5% per month on reducing balance. The Loan is payable in five installments of the principle plus the monthly interest. This loans is to be used to expand your restaurant.
 - a). Prepare a loan repayment schedule (10 marks)
 - b). Design a cheque leaf to be used in your business (5 marks)
 - c). How do you ensure quality in your business (5 marks)
 2. Ms. Namiiro Martha has given you the following balances extracted from her books at 30th January 2015.

Item	Amount(shs)
- Cash in Hand	3,600
- Cash at Bank	33,000
- Stock 1/1/2015	63,000
- Debtors	24,000
- Creditors	30,000
- Returns inwards	1,500
- Sales	168,000
- Purchases	61,500
- Capital	44,700

- Salaries	12,000
- Water & Electricity	1,800
- Postage	600
- Drawings	2,700
- Stock (30/01/2015)	40,500
- Furniture & Fittings	22,500
- Motor Van	105,000
- Loan	90,000
- Rent Received	3,600
- Office Rent	5,100

Required:

- a) From the above prepare her Trial balance as at 30th January 2015 (7 marks)
 - b) Prepare her Trading Profit & Loss Account for the period ended 31st December 2015. (10 marks)
 - c) Prepare her Balance Sheet as at 30th January 2015 (8 marks)
3. You have established a Pharmacy with two other partners in a busy town
- a) Prepare a partnership deed for your business (7 months)
 - b) Design an invoice for use in the business (6 months)
 - c) Design a poster for the business (5 marks)
 - d) Design a market survey guide for business use (7 marks)
4. Write up three column cash book for M. Kibicho from the details below and then balance off at the end of the month and show the discount accounts in the general ledger.
2012
- May 1st balance b/f cash in hand shs 580
 Bank over draft shs 14,700
 2nd Kibicho pays more capital into bank Shs 10,000
 3rd Bought office fixtures by cheque Shs. 7800
 4th Cash sales Shs. 2200
 5th Banked cash Shs. 2000
 6th paid the following by cheque in each case deducting 2.5% cash discount:
 B. Ngundi Shs. 800, T. Thorao Shs 2400, Mukuyu Shs. 4000
 8th Cash sales 5,000

12th paid motor expenses in cash Shs. 770

15th Cash Withdrawal from the bank Shs. 4000

16th Drawings Shs. 1200

18th The following firms paid their accounts by cheque in each case deducting a 5% discount E. Gichuki Shs 800, B. Chemutal Shs. 1400, D. Kombo Shs. 2200

20th Salaries paid in cash Shs 2100

22nd Kaungu paid his account in cash Shs 2040

26th Paid insurance by cheque Shs. 1500

28th Bought motor van paying by cheque Shs. 49,200

5. You operate a shoe care workshop in a rapidly growing town

a). write a letter of inquiry to a potential supplier (6 marks)

b). Design a sign post for your business (5 marks)

c). What factors do you consider when selecting the means of transport to be used in your business (7 marks)

d). Draft a contract for the sale of your products to a credit customer (7 marks)

END