

**UGANDA CERTIFICATE OF EDUCATION**

**INTERNAL MOCK EXAMS 2019**

**ENTREPRENEURSHIP PAPER 1 (845/1)**

**TIME: 2 ½ HOURS**

***Instructions:***

- Answer any four(4) questions
- All questions carry equal marks
- Neat work is a must

1. After completing senior four, you plan to start a small maize mill in your locality.
  - a) Prepare a job advert for the post of engineer (8mks)
  - b) State the;  
    - (i) Objectives of the project (3mks)
    - (ii) Goals of the project (3mks)
  - c) State the factors you would consider when selecting machinery for the project (6mks)
  - d) Design a cash sale receipt (5mks)

2. The following information was extracted from the books Kapo Traders for the month of June 2018.

Item	Shillings
Capital	6,000,000
Sales	20,000,000
Stock (1/6/2018)	900,000
Purchases	12,780,000
Drawings	2,780,000
Telephone	570,000
56 years loan	3,300,000
Discount received	450,000
Rent	730,000
Cash	120,000
Interest received	150,000
Salaries & wages	1,560,000
General expenses	210,000
Bank	360,000
Carriage on sales	330,000
Creditors	2,700,000
Buildings	6,000,000
Commission allowed	600,000
Bank over drafts	100,000
Furniture	2,250,000
Debtors	3,600,000
Stock (30/6/18)	360,000

Required to prepare:

- a) Trading, profit and loss account for the year ended 30/6/18 (15mks)
  - b) Balance sheet as at 30/6/18 (10mks)
3. You intend to start a restaurant in your home town
- a) Mention five indicators of a good business opportunity (5mks)
  - b) Prepare a menu card you will use in the business (7mks)
  - c) Using SWOT analysis, state two:-
    - (i) Strengths (2mks)
    - (ii) Weaknesses (2mks)

- (iii) Opportunities (2mks)
- (iv) Treats of your business (2mks)
- d) State the benefits of the project to the community (5mks)
- 4.a) S.D Trader keeps its petty cashbook using the imprest system. The imprest amount for the month is shs 500,000. It made the following petty cash expenses for the month of March 2018.

October

- 1<sup>st</sup> received imprest of shs 500,000
- 1<sup>st</sup> bought petrol shs 60,000
- 2 paid staff travelling expenses shs 30,000
- 4 paid for postage shs 20,000
- 10 paid for cleaning expenses shs 100,000
- 12 bought petrol shs 60,000
- 16 paid bursar's taxi fare shs 30,000
- 20 paid Nankya a creditor shs 50,000
- 24 bought motor oil shs 50,000
- 25 paid for parcels shs 60,000
- 30 bought brooms shs 20,000

You are required to prepare:

- a) S.D Trader's petty cash book using analysis columns for motor expenses ledger (13mks)
- b) Open the double ledger (5mks)
- c) State the advantages of using the imprest system (5mks)
- 5.a) Lukyamuzi earned income from different sources for the year 2018 as indicted below:

Business income	shs 10,000,000
Employment income	shs 24,000,000
Property income	shs 5,000,000

He also paid expenses and losses amounting to shs 12,000,000 to earn the income. shs 150,000 of the income earned was tax exempt.

Compute his:

- (i) Gross income (4mks)
- (ii) Chargeable income (3mks)

- b) Uganda Revenue Authority (URA) levies pay As You Earn (PAYE) tax using the following monthly rates.

No.	Income bracket	Tax liabilities
a.	Not exceeding shs 235,000	Nil
b.	Exceeding Ugx 235,000 but not Ugx 335,000	10% of the amount by which chargeable income exceeds Ugx 235,000
c.	Exceeding Ugx 335,000 but not exceeding Ugx 410,000	10,000 plus 20% of the amount by which chargeable income exceeds Ugx 335,000
d.	Exceeding Ugx 410,000	Ugx 25,000 plus 30% of the amount by which chargeable income exceeds Ugx 410,000

How much monthly Pay As You Earn (PAYE) tax is paid by the following people whose monthly income is:

- (i) Mtovu A Shs 200,000 (2mks)
- (ii) Apio S Shs 370,000 (4mks)
- (iii) Ouma Alex Shs 490,000 (4mks)

- c) Explain any 8 reasons why an entrepreneur should pay tax (8mks)

**END**