

**P230/2**  
**ENTREPRENEURSHIP EDUCATION**  
**PAPER 2**  
**2022**  
**TIME: 3 HOURS**



**MATIGO MOCK EXAMINATIONS 2022**  
**UGANDA ADVANCED CERTIFICATE OF EDUCATION**  
**P230/2 ENTREPRENEURSHIP EDUCATION**  
**PAPER 2**  
**TIME: 3 HOURS**

**INSTRUCTIONS TO CANDIDATES:**

- ❖ Answer any **four** questions.
- ❖ **All** questions carry equal marks.

**Turn over**

1. Your bakery business is experiencing declining sales. You are in the process of reactivating the glory of the business.
  - (a) Draw one week promotional programme for the business. (06 marks)
  - (b) Write a report to the managing director on the market research you have carried out. (07 marks)
  - (c) Design a marketing flow chart for your business. (05 marks)
  - (d) Prepare a credit status inquiry on a new customer who wants your products worth shs. 10 million on credit. (07 marks)
2. You own bus transport business which has a fleet of buses. You have noted there is need to improve the way the business has been operating.
  - (a) Design a new bus fare ticket for use in the business. (05 marks)
  - (b) Draw daily travel schedule for the buses. (07 marks)
  - (c) Prepare a weekly maintenance programme for your buses. (06 marks)
  - (d) Formulate guidelines for your employees to observe for proper handling of the buses. (07 marks)
3. You have been employed as the human resource manager of LMZ factory. The workers have become undisciplined since the retirement of the former Human Resource Officer.
  - (a) Design a time sheet for use in the business. (06 marks)
  - (b) Write a code of conduct for the staff to observe so as to promote discipline. (07 marks)
  - (c) Prepare a job specification for the post of a human resource officer. (06 marks)
  - (d) Design a staff appraisal form for use in the business. (06 marks)
4. Recently you and your colleague took over a private company. You have resolved to turn it into a public company dealing in hardware.
  - (a) Design a share certificate to be issued to shareholders (06 marks)
  - (b) Prepare a memorandum of association for registration of the Company (06 marks)
  - (c) Write a profile of the company (06 marks)
  - (d) Desing an asset register for the company. (07 marks)

5. The following relates to Muubi (U) Limited for the period ended 30<sup>th</sup> June 2012.

	SHS.
Capital	1,231,000
Cash	30,000
Bank overdraft	120,000
Interest received	2,600
Furniture	62,000
Drawings	110,000
Motor van	1,170,000
Land	130,000
Debtors	18,000
Creditors	35,000
Purchases	720,000
Return inwards	100,000
Stock (1 <sup>st</sup> June 2011)	120,000
Rent and rates	49,600
Insurance	56,000
Discount allowed	8,000
Carriage on slaes	30,000
salaries	156,000
Sales	1,300,000
Return outwards	15,000

Additional information

- (i) Stock (30<sup>th</sup> June 2012) was valued at shs. 75,000
- (ii) Rent shs. 9,000 accrued
- (iii) Outstanding salaries was shs. 10,000
- (iv) Prepaid rates was shs. 6,000
- (v) Depreciate motor van by 10% p.a on cost.

Required to:

- (a) Prepare the financial statements as at the end of the trading period  
(19 marks)
- (b) Compute and interpret

- (i) Rate of return on capital employed. (03 marks)
- (ii) Rate of stock turnover. (03 marks)

6. Mulalu Enterprises had the following information in 2013:

- (i) First month started with cash balance of shs. 10,000,000
- (ii) The business expects to sell goods every month worth shs. 20 million and receive only 80% in the month of sale and the remaining amount to be received one month after the month of sale for all sales.
- (iii) The monthly rent income is expected to be shs. 5 million but this is expected to increase by 3% and 6% after the first two months respectively.
- (iv) Monthly projected salaries for 50 workers are shs. 150,000 per worker.
- (v) The business hopes to obtain a loan in its first month, June, shs. 2 million.
- (vi) The monthly interest on the loan is 5% payable after one month grace period of the next month.
- (vii) The business hopes to buy machinery by cash worth 40 million in the first month.
- (viii) Monthly cash purchases are shs. 6 million.
- (ix) The business expects donations in cash worth shs. 3 million per month but this is expected to reduce by 10% after the first three months.
- (x) The business will finance any cash short fall using a debenture at the beginning of the next month with an interest of 5% payable after 4 months of lapse.

**Required:**

- (a) Prepare monthly cash flow statement for four months period. (17 marks)
- (b) Comment on the net cash position of the business for each month. (08 marks)**END**