

**KING'S COLLEGE - BUDDO**  
**UGANDA ADVANCED CERTIFICATE OF EDUCATION**  
**INTERNAL MOCK EXAMINATIONS 2020**  
**ENTREPRENEURSHIP EDUCATION PAPER TWO**  
**P230/2**  
**TIME: 3HOURS**

**Instructions.**

- Attempt only four question in this paper.
  - Use of relevant diagrams and illustrations will lead to credit.
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1. You are dealing in production and distribution of tomato sauce.
    - a) Prepare a weeks' distribution schedule for business products. (7marks)
    - b) Design a delivery note to be used in the business. (5marks)
    - c) Present a financial plan for the business. (7marks)
    - d) Prepare a suitable advert for business products. (6marks)
  2. You are managing a partnership business with your two brothers that deals in processing of milk.
    - a) Prepare a partnership deed for the business. (7marks)
    - b) Formulate guidelines for developing effective marketing strategy. (7marks)
    - c) Design a questionnaire to be used for establishing the level of creativity for employees. (6marks)
    - d) Develop a mission and vision statement for the business. (5marks)
  3. You are a Human Resource Manager of a telecommunication company.
    - a) Develop a job specification for an accountant. (6marks)
    - b) Design a form to be used while appraising the performance of workers. (6marks)
    - c) Prepare a motivation policy for the company. (6marks)
    - d) Prepare a program for training employees. (7marks)
  4. You own a construction company and have been awarded a contract to construct Ntenjeru -Mpata Road by Mukono District Council.
    - a) Prepare a company profile for the construction company. (6marks)
    - b) Formulate terms and conditions to be included in the contract. (6marks)
    - c) Prepare a contractor's information board. (7marks)
    - d) Prepare a time sheet to be used in business. (6marks)

5. Mukono investments Ltd had the following information.

- i) On 1<sup>st</sup> April 2018, the business commenced with cash balance Shs 5,000,000.
- ii) The business expects to have monthly sales of shs 20,000,000 and 80% is recovered in the month of sale for all sales.
- iii) Monthly salaries for 40 workers are projected at shs 12,000 per worker.
- iv) The business expects to get a loan of shs 10,000,000 in April.
- v) The business expects donation in cash worth shs 3,000,000 per month and this is expected to reduce by 10% after two months.
- vi) Monthly rent income is expected to be shs 5,000,000 but this is expected to increase by 3% after two months.
- vii) The business expects to buy premises worth shs 30,000,000 and payment is to be done in ratio 2:3 May and June respectively.
- viii) Monthly cash purchases are shs 6,000,000 is expected to increase by 10% on monthly basis.
- ix) Monthly interest on loan at a rate of 2% on monthly basis payable after one months' grace period.
- x) The business will finance any cash short fall with a debenture at the beginning of the next month.
- xi) The business is expected to pay a tax of shs 450,000 payable at the end of each quarter.

**Required:**

- a) Prepare a cash flow statement for the second quarter of 2018. (18marks)
- b) Comment on the net cash position of the business. (03marks)
- c) Suggest measures to overcome a cash shortfall. (04marks)