

# STANDARD HIGH SCHOOL ZZANA

**Uganda Advanced Certificate of Education**

**MID TERM I EXAMINATIONS, 2020**

**S.6 ENTREPRENEURSHIP EDUCATION**

**PAPER 2**

**TIME: 3HOURS**

## INSTRUCTIONS

- Answer any **four** questions.
  - FORWARD SCANNED ANSWERS TO stahiza2020@gmail.com
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1. You are operating a microfinance bank in your home town.
    - a) Design a cheque leaf to be used in your business. (06marks)
    - b) Design a loan application form to be filled in buying loan applicants. (06marks)
    - c) Design a cash deposit slip to be used in your business. (06marks)
    - d) Prepare guidelines for giving loans to your clients. (07marks)
  
  2. You are operating a fruit processing project and you would like to recruit sales agents.
    - a) Prepare a job specification for the sales agent. (05marks)
    - b) Design a purchase order to be used when ordering for materials in your business. (07marks)
    - c) Prepare an appointment letter for the newly recruited sales manager. (08marks)
    - d) Formulate guidelines for developing creative ability in your business. (05marks)
  
  3. The following information is availed to you from the books of MWANAMKE ENTERPRISE LTD for the months of March, April, May and June 2018.
    - i. On 1<sup>st</sup> March 2018, the business started with a cash balance of shs 2,400,000.
    - ii. Expected monthly cash sales were to be shs 6,400,000.
    - iii. Cash donations were expected to be shs 800,000 per month for three months then it would increase by 20% in the last month.
    - iv. Cash purchases were expected to be shs 4,000,000 per month.
    - v. A loan of shs 8,000,000 was to be obtained in the month of March.
    - vi. Monthly salaries for workers were shs 1,200,000 per month.
    - vii. Credit sales were to be shs 5,000,000 per month. Cash collection from debtors would be made in the following month.
    - viii. A machine was to be purchased in March at shs 10,000,000 on hire purchase basis. A cash deposit of shs 2,000,000 was to be made in March and the balance to be paid in the ratio 4:3:1.
    - ix. The business expected to buy goods on credit for shs 6,000,000 in May. Payment to creditors would be made in June.

- x. The loan would be paid in five equal monthly installments at an interest rate of 10% per month starting from April.

**Required;**

- a) Prepare a cash flow statement for the business for the months of March, April, May and June 2018. (21marks)
- b) State the net cash position of the business. (04marks)

4. The following information relates to KATEGAYA AND SONS as a 31<sup>st</sup> December 2016.

ITEM	SHS
Sales	36,500,000
Purchases	30,000,000
Sales returns	500,000
Purchase returns	800,000
Stock at start	5,600,000
Stock at close	4,800,000
Carriage inwards	1,200,000
Carriage outwards	800,000
Discount allowed	500,000
Discount received	1,000,000
Salaries and wages	2,400,000
Bad debts written off	200,000
Insurance	450,000
Premises	6,000,000
Motorvehicle	4,500,000
Commission received	600,000
Debtors	3,000,000
Creditors	2,500,000
Bank overdraft	4,000,000
Cash in hand	2,800,000
Cash at hand	1,500,000
Bank loan	6,400,000
Capital	9,000,000

**a) Calculate;**

- i. Cost of sales (04marks)
- ii. Gross profit (03marks)
- iii. Net profit (05marks)
- iv. Working capital (04marks)
- v. Capital employed (03marks)
- vi. Capital owned (03marks)
- vii. Liquid capital (03marks)

5. You are provided with the following record from the books of MAGOMU AND SONS LTD as at 31/12/2017.

<b>PARTICULARS</b>	<b>Dr (SHS)</b>	<b>Cr(SHS)</b>
Sales/purchases	6,000,000	9,000,000
Returns	100,000	500,000
Accounts receivable	460,000	
Accounts payable		250,000
Stock (01/01/2017)	500,000	
Drawings	300,000	
Cash balance	1,200,000	
Bank balance	4,800,000	
Bad debts recovered		150,000
Premises	9,220,000	
Equipment	3,220,000	
Furniture	4,400,000	
Motorvehicle	10,000,000	
Electricity	100,000	
Salaries	800,000	
Bad debts	60,000	
Carriage inwards	50,000	
Carriage outwards	70,000	
Commission received		600,000
Bank loan		1,120,000
Capital		30,160,000
<b>TOTAL</b>	<b>41,280,000</b>	<b>41,280,000</b>

**NB.** *Closing stock was valued at shs 380,000.*

**Require;**

- Prepare an income statement for the period ended 31/12/2014.
- Prepare a balance sheet as at that date.

**END**