**845/1**

**ENTREPRENEURSHIP**

**EDUCATION**

**Paper 1**

**Uganda Certificate of Education**

ENTREPRENEURSHIP EDUCATION

**Paper 1**

2 hours 30 minutes

**INSTRUCTIONS TO CANDIDATES:**

* *Answer only* ***four*** *questions.*
* ***All*** *questions in carry equal marks.*
* *Credit will be given for use of relevant diagrams and illustrations.*
* *Any additional question(s) answered will* ***not*** *be marked.*

**Turn Over**

1. You and other two family members have agreed to start a carpentry workshop as a partnership business.

(a) Design a partnership deed for your business. (06 marks)

(b) Make a budget for pre-operating expenses for your business. (07 marks)

(c) How will you promote your business? (06 marks)

(d) Under what circumstances may a partnership be dissolved? (06 marks)

1. You have acquired a loan of shs.30,000,000 to start a groundnut processing project.

(a) Using the fixed installment method, design a loan repayment schedule at an interest rate of 2% per month payable in 5 equal monthly installments.

(07 marks)

(b) Make a job description for a sales manager. (06 marks)

(c) Write a letter of inquiry to one of the suppliers of materials. (06 marks)

(d) Prepare a marketing plan for your business. (06 marks)

1. The information below relates to Bagunwa and brothers Ltd as at 31st December 2016.

|  |  |
| --- | --- |
| Land and building | 1,200,000 |
| Machinery | 750,000 |
| Stock (31-12-2016) | 280,000 |
| Debtors | 190,000 |
| Bank | 300,000 |
| Creditors | 100,000 |
| Cash | 100,000 |
| Loan | 1,000,000 |
| Bank overdraft | 210,000 |
| Drawings | 100,000 |
| Net profit for the year | 300,000 |
| Motro van | 530,000 |
| Capital | 1,840,000 |

**Required**

(a) Prepare a balance sheet as at 31/12/2016 . (21 marks)

(b) Calculate the;

(i) quick assets to current liabilities. (02 marks)

(ii) working capital ratio (current ratio). (01 mark)

(c) Comment on the position of the business given the ratio in (b)(ii) above.

(01 mark)

1. You have agreed with your village mate to supply him with balls for the many youth groups in the community.

(a) Draw up a sales contract you would sign with him. (08 marks)

(b) Explain the business laws you will consider before starting the business.

(06 marks)

(c) Design a newspaper advert for your product. (05 marks)

(d) Prepare an estimate of the working capital requirements. (06 marks)

1. Opendun Christine enterprise carried out the following transaction for January 2016.

|  |  |
| --- | --- |
| Jan 1st started business with  Cash in hand  Cash at bank | 90,000  100,000 |
| 3rd paid business rent by cash | 20,000 |
| 4th bought goods by cash | 65,000 |
| 8th sold goods and received a cheque | 32,000 |
| 11th cash sales | 45,000 |
| 14th paid rent by cheque | 40,000 |
| 16th banked cash | 30,000 |
| 17th cash sales made | 60,000 |
| 19th paid wages | 17,000 |
| 22nd bought goods from Matama | 16,000 |
| 25th sold goods by cash | 25,000 |
| 27th sold goods by cheque | 40,000 |
| 29th sold goods by cheque | 30,000 |

Required ;

(a) Prepare a two column cash book duly balanced. (20 marks)

(b) Post the entries to the ledger. (05 marks)

***END***