

SEETA HIGH SCHOOL GREEN CAMPUS
ENTREPRENEURSHIP EDUCATION SEMINAR SCHEDULED FOR
6/10/2018

P230/1

SECTION A

1. a) i) Define business ethics as used in entrepreneurship.
ii) Outline the rules for good business ethics.
- b) Outline the variables in the family that impact on an individual's entrepreneurial attitude.
- c) i) Define Gender partnership.
ii) Mention any three constraints to gender partnership in an enterprise.
- d) i) What is meant by Product life cycle?
ii) Give any three limitations of the product life cycle.
- e) i) Distinguish between an income statement and a cash flow statement.
ii) Identify any three own sources of capital.

SECTION B QUESTIONS

2. a) Explain the different opportunities for social entrepreneurship.
b) In what ways can entrepreneurship reduce poverty?
3. a) Explain the factors that affect sales in an enterprise.
b) Describe the procedure for establishing the profitability of a potential

business.

4. a) What are the benefits of operating a formal business?
b) What challenges do family businesses face?
5. a) Why is it necessary to prepare a production plan before starting a business?
b) Explain the factors that limit effective implementation of a business plan.
6. a) Describe the responsibilities of a human resource manager in an enterprise.
b) Assess the implications of labour turnover in an enterprise.
7. Describe the different levels of tax compliance.
b) Account for the popularity of indirect taxes in Uganda.
8. a) Why may an entrepreneur sell goods on credit?
b) What measures do entrepreneurs use to ensure customer satisfaction?
9. a) Explain the role of Capital Markets Authority
b) What challenges do capital markets face in Uganda?

PAPER II (P230/2)

10. You are engaged in the processing and packaging of tomato sauce.
 - a) Present a Financial plan for your business.
 - b) Formulate guidelines for minimizing production costs
 - c) Write an inquiry for the necessary raw materials.
 - d) Write a letter of appreciation to the best employee of the year.

11. You have established a social enterprise aimed at minimizing child labour in your community.

- a) Develop a root cause analysis tool for child labour.
- b) Present a GEPIC structure for advocacy for promoting the enterprise mission.
- c) Formulate guidelines for enhancing gender partnership in the enterprise.
- d) Develop a program for becoming a social entrepreneur.

12. You are a marketing manager in a metal fabrication project.

- a) Develop a Newspaper advertisement for the business.
- b) Design a plan for recovering money from debtors.
- c) Formulate guidelines for managing workers' discipline.
- d) Draft a daily work schedule for business workers.

13. Buikwe Investments Ltd, a dealer in electronics made the following transactions during the month of December, 2017.

Goods	Purchases shs VAT inclusive	Sales shs VAT inclusive
Refrigerators	30,000,000	50,000,000
Water pumps	25,000,000	29,500,000
Hot plates	20,000,000	26,300,000
Photocopiers	40,700,000	45,500,000

- i) Using VAT output and VAT input approach, calculate Buikwe Investment's VAT liability for each good.
- ii) Calculate the total VAT liability.

b) Study the table below and answer questions that follow.

Tax Payer	Taxable income (shs)	Tax liability (shs)
Okello Joseph	25,000,000	3,500,000
Akena Moses	30,000,000	6,300,000
Odong Charles	25,500,000	5,250,000

a) Calculate the tax rate for each payer.

14. Afaayo traders had the following projections for their last quarter of the year ending 30/June/2017

- i. Balance brought forward from the third quarter shs. 33,000,000
- ii. Expected cash sales per month shs. 20,000,000 and would attract a sales commission of 5% per month
- iii. Donations were expected to be shs. 2,500,000 in first month of the last quarter, but they were to increase by 5% in the following months.
- iv. Credit sales were projected to be shs. 12,000,000 per month. It had been the business' policy to receive the money in the month of sale except when shs. 9,600,000 had not been recovered in the previous quarter and it was to be received in the first month of the current quarter.
- v. The business was to sell one of its old motor vehicles valued at shs, 9,000,000 for shs. 8,100,000 cash after a cash discount of 10% in the second month.
- vi. A loan of shs. 3,000,000/= was expected from stanbic Bank, in the first month. It was to attract an interest of 5% per month on fixed rate after a grace period of one month. The principle was to be paid in six equal installments
- vii. The business was to purchase office furniture in the last month for cash shs.

960,000

- viii. Cash purchases were projected as shs. 17,000,000 per month.
- ix. Credit purchases were expected to be shs. 18,000,000 but would reduce by 10% in the last month. The creditors would be paid after two weeks
- x. Monthly salaries and wages were to be shs. 12,000,000
- xi. VAT on purchase of office furniture was at a rate of 18%

Required;

- a) Prepare a cash flow budget for the last quarter of the year.
- b) Comment on the Net cash position of the business.

15. The following balances were obtained from the books of Accounts of Mukono Traders LTD for the year ended 31/12/2017

Stock (01/01/2017)	shs. 5,000,000
Stock (31/12/2017)	shs. 4,000,000
Net sales	shs. 20,000,000
Net purchases	shs. 11,000,000
Goods available for sale	shs. 16,000,000
Total operating expenses	shs. 6,000,000
Total fixed assets	shs. 8,000,000
Debtors	shs. 1,500,000

Creditors	shs. 3,000,000
Cash	shs. 900,000
Outstanding rent	shs. 1,000,000
Bank	shs. 1,600,000

Calculate and interpret

- i) Inventory turnover ratio
- ii) Credit payment period
- iii) Rate of turn on capital employed
- iv) Stock turnover period in weeks
- v) Profit make up.

PAPER III (P230/3:)

CASE STUDY. SECTION A

16. Read the case study below and answer the questions that follow;

The saying that bad beginning makes a good end materialized in the life experience of Kayembe. Growing up in a large extended and low income family, Kayembe inherited poverty and debts from his semi-literate parents except for the one large room structure along a poorly maintained feeder road in the village.

At the age of 25 years the need for more income, desire to ascend with his education and cultural pressure to get married, being the family head, forced Kayemba to have keen interest in business articles and discussions in the

media. He picked leaflets and brochures about businesses at UMA trade shows and at Jinja agricultural exhibitions.

He also had face to face interviews and discussions with traders. This encouraged him to convert the room he inherited into a village store selling general merchandise. The knowledge Kayemba sought energized him to be focused on his business which has grown into eight other large scale retail businesses in different trading centers in the region, three storeyed commercial buildings, a bus company, a mixed farm , and two royal – standard residential bungalows.

In his business, Kayemba observes personal hygiene and appearance by being smart in latest fashions all the time. He has positive attitude towards customers, ability to speak and act without offending, and also has keen sense of what to say and do. To enable customers buy his merchandise he studies target customers' needs, privacy, and ability to use the product , and also gives samples , guarantees, catalogues and charts to back up his products.

Kayemba also faces challenges in his enterprises. Limited skills make it difficult for him to ensure quality control. The stiff competition in the market makes him have sleepless nights thinking about ways of overcoming it.

- a) What considerations did Kiyemba uphold when presenting his products to customers?
- b) How did Kayemba develop business idea?
- c) Advise Kayemba about ways of ensuring quality control in the enterprise.
- d) Justify the view that Kayemba is a creative sales person.

- e) Apart from those mentioned in the case study, what other techniques should Kayemba employ to win competition.

SECTION B: SCHOOL BUSINESS CLUB

17. Basing on your school business Club Project;

- a) Write the general description of the business project.
- b) What challenge did you face while raising start-up capital for your enterprise?
- c) Identify the social responsibilities the business undertook.
- d) How did you monitor the business operations?
- e) Describe some of the ways in which you wasted time in business.

18.a) In relation to the business project owned and managed by your school Entrepreneurship club;

- a) Describe the business project
- b) Show how you implemented the theory of change in the operating activities of the business.
- c) Explain the innovations that were undertaken to improve quality of your products.
- d) How did you handle the customers' complaints?
- e) Why was there need to train the club / project members?

19.a) For any business enterprise you were attached to;

- a) Give a general description of the business.
- b) How does the business ensure customer satisfaction?
- c) Describe the resources available in the local community that favoured establishment of the enterprise you were attached to.
- d) Identify the marketing activities of the enterprise.
- e) Advise the owner of the enterprise about ways through which family can support the business.

20.a) For any business field trip you made as a group or individual;

- a) Describe the purpose of the business.
- b) Present the organization structure of the enterprise visited.
- c) Explain the factors the owner of the business considers when recruiting the employees.
- d) What techniques does the business employ for coping with change?
- e) Advise the proprietor of the business about the benefits of investing in collective investment schemes.

END

ANSWER GUIDES TO SEMINAR QUESTIONS SCHEDULED FOR 6TH/10/2018

SECTION A

1. a) i) Business ethics are expected standards of behaviors/virtues that business people apply when making business decisions.

ii) Rules for good business ethics

- Honesty
- Keeping promises
- Fairness
- Respect for others
- Compassion
- Integrity

b) The variables in the family that impact on an individual's entrepreneurial attitude include;

- Family back ground

- Family size
- Family succession /inheritance
- Changing roles and responsibilities of family

ci) Gender partnership refers to the idea of men working harmoniously with women as joint partners.

ii) Constraints of gender partnership in an enterprise are;

- Exploitation and victimization of employees
- Indiscriminative /un fair rewarding of employees
- Failure of participants to recognize their presence and that of others.
- Absence of a two – way communication among members.
- Failure of members to get satisfaction from different activities taking place.
- Prevention of members from communicating their feelings and ideas freely.
- Indiscriminative development among members.
- Failure to develop a sense of identity and belonging among members.

d i) A product life cycle is a period of time over which an item is developed , brought to market and eventually removed from the market

ii) Limitations of the Product Life Cycle.

- Very few products undergo through the prescribed stages.
- The length of every stage varies greatly

- It is not easy to tell which stage the product is in.
 - It undermines the decision of the marketers /entrepreneurs to change the stage.
 - The duration for each stage is not specified.
- e) An income statement is a financial statement prepared to find out the profit or loss made by the business during a given trading period

While

A cash flow statement/Budget/plan is a monitoring tool that shows an entrepreneur where cash is to come from and go out of the business in a given period.

ii) Sources of own capital

- Retained profits
- Sale of personal property
- Personal savings

2. a) Opportunities for social entrepreneurship

- Social investment fund – these pool together various sources of funding from donations of wealthy people corporations etc to invest in social enterprises.
- Foundations – These provide grants e.g start up grants for new social enterprises.
- CBO and NGOs, These don't earn profits but have a social mission of improving the people's social and economic conditions.

- Governments and embassies – The governments provide policies, grants, technological support and other incentives, while embassies also set aside funding for social entrepreneurship.
- Social entrepreneurship as a career option – These are many opportunities for creating a better world.

b) Ways in which entrepreneurship can reduce poverty

- Promotion of small enterprises in the society
- Creation of employment opportunities to society members thus increasing their incomes.
- Utilization of the locally available resources and skills possessed by members.
- Improving the welfare of the society by providing different goods and services.
- Provision of entrepreneurship skills hence building capacity.
- Provision of business information on markets, prices sources of capital etc.
- Promotion of creativity and innovation which further improves entrepreneurial capacity.
- Provision of market for the community products
- Promotion of forward linkages e.g new businesses lead to other businesses.
- Generating revenue to the government through taxation for establishing social and economic infrastructures.

- Encouraging of innovations as SMEs are dynamic and flexible.
- Reducing regional imbalances as business develop in remote areas.
- Contributing to the GDP of the economy which also increases the per capita.
- Introduction of technologies through different activities.

3. a) **Factors that affect sales in the business**

- Market size – a big market leads to higher sales than a small market.
- Products' relation to need- products that meet customers' needs promote higher sales than those that don't easily meet their needs.
- Strength and dominance of competition
- Sales effort required
- Quality – Price relationship compared to competitive products.
- Service requirements.
- Availability of sales and distribution system.
- Export possibilities.

b) **Procedure for establishing the profitability of a potential business.**

- Deciding on the type of business to do
- Choosing a location for the business
- Forecasting the sales/estimating the size of the market.
- Estimating the costs

- Estimating the profits which is done by subtracting the estimated costs from the forecasted sales.

4. a) **Benefits of operating a formal business**

- Leads to proper organization
- Makes it easy to get financial assistance e.g loans from banks
- Enables the business to be reliable and permanent
- Gives a sound base for growth and development
- Complies with social security regulations
- Attracts government's services e.g tenders, security.
- Provides a separate legal entity different from owners
- Gives the business legal recognition.

b) **Challenges faced by family business**

- Challenge of decision making
- Laziness among family members
- Theft and misuse of family funds and goods.
- Limited finance i.e. the money required to start and operate the business may not be enough.
- Challenge of succession of business
- Limited entrepreneurial skills to run the business
- Withdrawing of goods and cash from business for personal use.

- Limited information access
- Challenge of compensating family members
- Emotions due to disagreements
- Informality as in most cases family business are not registered.
- Tunnel vision i.e limited outside opinions
- High labour turnover of non family members
- Conservatism of family members
- Role confusion as each member's responsibilities are not defined.
- Centralized control system by family heads leading to delays.
- Challenge of communication due to role confusion
- Taking business for granted

5. a) Reasons why it is necessary to prepare a production plan before starting a business.

- To establish the production /manufacturing plan
- To ascertain the production time required to produce a particular product.
- To establish the equipment tools and machinery required to produce the product(s)
- To establish the feasibility of the business

- To identify the human resource requirements for production
- To estimate the costs for producing the business's products.
- To prepare for the plant lay out of the business, early enough.
- To ensure proper inventory management
- To identify and plan for the raw materials required for production and their source.
- To identify the utilities required during production such as water and electricity
- To plan for proper waste management /disposal
- To establish the transport requirements needed for production
- To identify where the business is to be located.

b) Factors that limit effective implementation of business plan.

- Limited /inadequate resources or funds.
- Incompleteness of the business plan
- Natural calamities like floods, landslides, earth quakes.
- Resistance from potential competitors
- Unrealistic priorities
- Industrial unrests among employees
- Inconsistencies in the business plan or activities.
- Unreliable source(s) of raw materials

- Low levels of technology
- Underdeveloped infrastructure like roads , electricity
- Limited cooperation among the stakeholders
- Government interferences
- Economic instabilities e.g inflation
- Corruption and embezzlement of resources by some employees.
- Failure to involve the stakeholders during the planning process
- Insecurity / political instability
- Limited skilled personnel
- Laziness of the entrepreneur
- Inadequate data or information

6. a) The responsibilities of a Human resource manager in an enterprise

- Man power planning
- Recruitment of employees
- Placement of employees
- Induction of employees
- Remuneration / payment of workers
- Training of employees
- Communicating with employees
- Motivation of employees

- Handling employees grievances or problems
- Management of employee benefits
- Conducting performance appraisals for employees
- Termination of employees

b) The implications of labour turnover in an enterprise.

Positive implications

- Relieves the enterprise of difficult employees
- Creates an opportunity for the enterprise to get better employees.
- Prevents redundancy of workers in the business
- It brings new ideas in the business
- It reduces the wage bill of the enterprise

Negative implications

- Leads to reduction in employees' morale
- It increases the costs of business operation e.g the recruitment costs.
- Leads to potential loss of sales especially for turnover among sales force.
- Causes loss of customers and customer goodwill.
- Increase costs of training the replaced employees
- It makes business implementation difficult

- It reduces the profits of the business especially when the sales decline.
- It increases the cost of production in business
- It limits business growth as interruptions occur.

7. a) Description of the different levels of tax compliance;

- Tax payers who are fully compliant and are willing to full fill their obligations voluntarily
- Tax payers who reluctantly comply. These are tax payers who know that non compliance would be expensive an accordingly comply.
- Tax payers who show slight resistance to compliance especially due to lack of knowledge but after being advised and some pressure is exerted on them, they will comply.
- Tax payers who are non compliant and exhibit outright resistance to meeting their tax obligation. These take pride in failing the tax authority

b) Reasons for the popularity of indirect taxes in Uganda

- They are more convenient and less burdensome to the tax payers as they pay them when purchasing.
- They are more comprehensive i.e they have a wider coverage so they fetch more revenue for the government
- They are flexible or lactic – they can easily be adjusted depending on the need in the country.
- They are difficult to evade since they are part of the commodity's

price.

- They are impartial i.e they don't discriminate among tax payers.
- Indirect taxes are economical i.e they are cheap to collect since the government uses producers and sellers to collect them.
- They can easily be accepted politically which makes the government popular.
- They are less resented by the public since they are not paid in lump sum.
- They are used to correct the balance of payment position. This is done by imposing heavy taxes on imports and no taxes on exports.
- They are paid willingly as they are part of the price.
- Indirect tax are used to check on the consumption of harmful goods
- They encourage hard work as they are levied/ imposed on final goods but not on incomes.
- When carefully used indirect taxes reduce inflation e.g when the government reduces tax on basic raw materials
- They are used to protect local industries against foreign competition.

8. a) Circumstances under which an entrepreneur may sell goods on credit.

- When/if/ incase / where.....
- When there is need to increase sales
- When the goods dealt in are about to expire.

- When the products are about to get out fashioned
- When he/she wants to beat his/her competitors.
- When entrepreneur can also buy goods on credit.
- When the customer is credit worthy and properly assessed by the entrepreneur.
- When there is an expected increase in the storage cost
- When it is the entrepreneur's policy to sell goods on credit.
- When there is need to introduce a new product
- When there need to build customers loyalty.
- When the entrepreneur is faced with deflationary economic situation.
- When the entrepreneur has sufficient working capital to finance credit sales.
- If there are strong and effective laws that back the sale of goods and services on credit and recovery on credit sales.
- If the customer has collateral security to be presented
- When there is need to increase storage space for the goods.

b) Measures used by entrepreneurs to ensure customer satisfaction

- Being honest to customers
- Handling customers complaints carefully
- Offering prompt services to the customers

- Having sound knowledge of the business products
- Offering after sales services to customers
- Giving discount to customers e.g those who buy in large quantities and pay promptly.
- Showing good hostility to the customers
- Being tactful in handling difficult situations
- Being available at the business premises to assist customers
- Providing waiting benches
- Welcoming customers' suggestion, opinions, and criticism, through a dialogue.
- Being pleasant to customers

9a) The role of Capital Markets Authority

- Regulating and promoting the development of capital markets in Uganda
- Approving stock exchanges and the securities central depositing
- Licensing brokers / dealers, investment scheme managers and trustees.
- Approving all offers of securities to the public.
- Approving collective investment schemes
- Protecting investors from fraud.
- Advising government on rules and regulations governing the operation of capital markets.

b) Challenges faced by capital markets in Uganda

- Limited liquidity in the country due to poverty which limits saving and investment in security.
- Limited awareness to who the brokers are hence difficult to make orders through them.
- Low interest rates offered on securities.
- Limited number of listed companies
- Limited confidence among the public to invest their money with some companies due to corrupt managers.
- Political instabilities/insecurities in some parts of the country
- Slow growth in the securities exchange market
- Economic instabilities such as inflation that discourage investment.

10a)

BAJJO TOMATO PROCESSING FACTORY

P.O BOX 782 JINJA

TEL: 0412356274

FINANCIAL PLAN

REQUIREMNT	QUANTITY	UNIT COST (Shs)	AMOUNT (shs)
<u>Fixed capital</u>			
Premises		Xxx	
Van		xxx	
Generator		xxx	

Blender		xxx	
Total fixed capital			xxx
Working capital		Xxx	
Paying workers		xxx	
Water bills		xxx	
Electricity		xxx	
Advertising			
Raw materials			
Total working capital			<u>xxx</u>
TOTAL CAPITAL			xxx

- Financing of the business : The source of funds include bank loan of shsand interest ofper year donations and owned of shs.....
- Profitability of the business; The business expects a profit of shs....per year
- Expected sales; the sales are estimated to be Shs.....per year.
- Sensitivity analysis: An increase in annual fixed costs by 23.8% would reduce NPV to zero.
- Cash flow statement: The cash inflows include grants loan and hire of the factory van, the cash outflows include payment of workers, purchase of raw materials, advertising and electricity bill.

- Break even analysis / Break even sales in the business. This where the total cost equals to total revenue this is expressed as below

$$= \frac{\text{fixed expenses /costs}}{\text{Sales} - \text{Direct expenses}} \times 100$$

Sales – Direct expenses

b) BAJJO TOMATO PROCESSING FACTORY

P.O BOX 782 JINJA

TEL: 0412356274

GUIDELINES FOR MINIMISING PRODUCTION COSTS

- Workers shall strictly begin work at 8:00am in the morning and not leave until 5:30pm in evening.
- Raw materials shall only be bought from cheaper sources approved by the purchases manager.
- Employees shall strictly follow the quality standard specifications set.
- The business premises shall strictly be kept clean.
- High quality raw materials shall always be used during the production process.
- The production manager shall strictly supervise and monitor the production process to avoid wastage of resources.
- Workers shall always be paid on piece rate basis
- The set time standards for production activities shall strictly be observed.
- Proper storage of both raw materials and finished products shall be ensured by the production manager.

- Company resources shall strictly be used for business purpose.
- Employees shall always participate in workshops aimed at minimizing costs at least once in a year.
- The production manager shall always carry out market research on the most cost-effective methods of production at least twice a year.

BAJJO TOMATO PROCESSING FACTORY

P.O BOX 782 JINJA

TEL: 0412356274

INQUIRY

Date : 6/10/2018

To : THE SALES MANAGER
 NJERU UNITED FARMERS
 P.O BOX 22, NJERU

Dear Sir/Madam ;

Please quote us your price, terms of payment and delivery for the following items.

Quantity	Description	Rate (shs)	Amount (shs)
1000kgs	Fresh Tomatoes		
Total			

Please note that the items are urgently required.

P.O BOX 782 Jinja

Tel: 0412356274

Date : 06th /October/2018

Mr. Kyagulanyi Bobi,

The sales manager,

Dear Sir,

Re: **Appreciation.**

The management of Bajo Tomato processing factory has realized with concern your total commitment towards the business activities and I am pleased to inform you that you have been selected employee of the year, 2018.

Thank you for the team spirit, integrity and salesmanship. It is because of this effort that Bajjo Tomato Processing Factory was declared the best in Buikwe district for providing good customer care. Please keep up the spirit.

Enclosed is a cheque of One million shillings (shs. 1,000,000) as a token of appreciation.

Yours sincerely,

JAJA BOSCO

General Manager

c.c : HRM
c.c : Accounts manager
c.s : personal file
Enc. : cheque

11. a) Root causes analysis tool for child labour.

MUKONO CHILD CARE INITIATIVE

P.O BOX 4972, MUKONO

TEL : 0757813668

ROOT CAUSE ANALYSIS FOR CHILD LABOUR

PROBLEM: THE PERSISTENT CHILD LABOUR IN MUKONO MUNICIPALITY

Why? Due to high School drop out ,

Why ? This is due to lack of scholastic materials to use at school

Why ? This is due to ignorance of parents on the value of education

Why ? This is due to failure of parents to access basic education

Why ? This is due to high levels of Poverty especially in households.

Root causes is : Poverty among the households whereby many families receive less than a dollar per day that cannot enable parents to meet the basic requirements of their children.

Necessary action steps;

- provision of employment
- Increasing access to education
- Sensitization of parents about the value for education

b)

MUKONO CHILD CARE INITIATIVE

P.O BOX 4972, MUKONO

TEL : 0757813668

**GEPIC STRUCTURE FOR ADVOCACY FOR PROMOTING CHILD LABOUR
ERADICATION**

- Greeting recognizing or giving thanks to potential clients /audience.
- Engaging the audience with story , quotation
- Expression of the problem or need for utilizing the opportunity
- Informing the audience the perspective and proposing the vision or innovation
- Calling for action to support the proposal.

- c) Guidelines for enhancing gender partnership in the enterprise.

MUKONO CHILD CARE INITIATIVE

P.O BOX 4972, MUKONO

TEL : 0757813668

GUIDELINES FOR ENHANCING GENDER PARTNERSHIP

- Each member shall be justly rewarded for his or her service.
- There shall be no threats of exploitation or victimizations.
- Participants shall be aware of their own membership and that of the others.
- Each member shall get satisfaction from participating in any activities taking place.
- Each member shall get satisfaction from participating in any activities taking place.
- There shall be a two way communication
- Each member shall strive to communicate his/her feelings and ideals as clearly and accurately as possible.
- The development of each member shall be enhanced.

- d)

MUKONO CHILD CARE INITIATIVE

P.O BOX 4972, MUKONO

TEL : 0757813668

PROGRAM FOR BECOMING A SOCIAL ENTREPRENEUR

DATE	ACTIVITY	PERSON IN CHARGE	REMARKS
	<ul style="list-style-type: none"> - Developing the idea of becoming an entrepreneur - Discovering the passion and skills 	<p>Wamala John</p> <p>Wamala John</p>	

	<ul style="list-style-type: none"> - Identifying the opportunities in the community - Matching the vision with the community opportunity - Acting and spreading change 	<p>Wamala John</p> <p>Wamala John</p> <p>Wamala John</p>	
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Prepared by ;

Approved by;

Sign.....

WAMALA JOHN

Name.....

MANAGING DIRECTOR

Title:.....

12. a) **A drafted newspaper adverts for promoting the business should bring out;**

- Name and address of the business
- Location of the business
- Contacts like telephone , email
- Business Log
- Brief back ground of the business
- Products offered by the business
- Benefits of the business / products to the customers
- Relevant illustrations / drawings
- Appealing phrases
- Frame to the advert

b) **TAKAJJUNGE METAL WORKS**

P. O BOX 33

MUKONO

PLAN FOR RECOVERING MONEY FROM DEBTORS
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Date	Activity	Reason	Remarks
	<ul style="list-style-type: none"> - Identifying all credit customers and collecting all records of debtors. - Arranging the debtors records according to credit period and assessment and allocation of responsible persons to credit customers. - Preparing and dispatching debt reminders to debtors on phone. - Collecting payments and updating debtors records. - Issuing statements of accounts - Sending last reminders to debtors who have defaulted. - Compiling and publishing defaulters and giving them final date to clear - Taking legal action on defaulters e.g auctioning collateral security and factoring debtors 	<p>Kaye Juma</p> <p>Kaye Juma</p> <p>Nsubuga John</p> <p>Kato John</p> <p>Kato John</p> <p>Nsubuga John</p> <p>Nsubuga John</p>	<p>Not Filled</p>

		Mwanga Fred	
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Prepared by ;

Approved by;.....

Signature :.....

MABIRIZI PAUL

Name :.....

MARKETING MANAGER

Title:.....

c)

TAKAJJUNGE METAL WORKS

P. O BOX 33

MUKONO

GUIDELINES FOR MANAGING WORKERS' DISCIPLINE

- Each worker shall observe work time table by reporting to work at 7:30am and leaving work by 5:30pm.
- All workers shall obey their immediate supervisors and any other official in management.
- No worker shall participate in any authorized strikes, lock outs or trade union activities.
- Workers shall wear company uniform while at work or dress decently at all times.
- No project worker shall get involved in any criminal or illegal activities in and outside company, to avoid tarnishing the name of the company.
- A company worker shall not bring in unauthorized persons (visitors) into the company premises.
- A company worker shall not conceal or hide or defend a wrong committed by another worker.
- A company worker shall not release (diverge) company secrets or information to rivals or outsiders without permission.
- A company worker shall not involve himself or herself in indecent behavior like committing adultery, fornication etc.

- No company worker shall possess unauthorized fire arms and other harmful weapons at the workplace.

d) A DAILY WORK SCHEDULE

TAKAJJUNGE METAL WORKS

P. O BOX 33

MUKONO

DAILY WORK SCHEDULE

Day	Employee's name	Employee No.	Description of work	Starting time	End time	Remarks
Monday	Medi	002	Welding	8:00am	5:00pm	
	Ali	003	Painting	8:00am	5:00pm	
	Aisha	004	Financial management	8:00am	5:00pm	
Tuesday	Medi	002	Welding	8:00am	5:00pm	
	Ali	003	Painting	8:00am	5:00pm	
	Aisha	004	Financial management	8:00am	5:00pm	
Wednesday	Medi	002	Welding	8:00am	5:00pm	
	Ali	003	Painting	8:00am	5:00pm	
	Aisha	004	Financial management	8:00am	5:00pm	
Thursday	Medi	002	Welding	8:00am	5:00pm	
	Ali	003	Painting	8:00am	5:00pm	
	Aisha	004	Financial	8:00am	5:00pm	

			management			
Friday	Medi	002	Welding	8:00am	5:00pm	
	Ali	003	Painting	8:00am	5:00pm	
	Aisha	004	Financial management	8:00am	5:00pm	
Saturday	Medi	002	Welding	9:00am	4:00pm	
	Ali	003	Painting	9:00am	4:00pm	
	Aisha	004	Financial management	9:00am	4:00pm	

Prepared by ;

Signature :.....

Name : NKWAMBWE PAUL

Title : Production Manager

13a)

i) VAT liability for each good

$$\text{VAT liability} = (\text{Out put} - \text{In put VAT}) \times \frac{18}{118}$$

Refrigerators

$$= (50,000,000 - 30,000,000) \times \frac{18}{118}$$

$$= \underline{3,050,848}$$

Water pumps

$$= (29,500,000 - 25,000,000) \times \frac{18}{118}$$

$$= \text{shs. } \underline{686,441}$$

Hot plates

$$= (26,300,000 - 20,000,000) \times \frac{18}{118}$$

$$= \text{shs. } \underline{961,017}$$

Photocopies

$$= (45,500,000 - 40,700,000) \times \frac{18}{118}$$

$$= \text{shs. } \underline{732,203}$$

ii) Total VAT Liability

$$= 3,050,848 + 686,441 + 961,017 + 732,203$$

$$= \text{Shs. } \underline{5,430,509}$$

b) Tax rate for each payer.

Akello Joseph

$$\text{Tax rate} = \frac{\text{Tax Liability}}{\text{Taxable income}} \times 100$$

$$= \frac{3,500,000}{25,000,000} \times 100$$

$$= \underline{14\%}$$

Akena Moses

$$\text{Tax rate} = \frac{\text{Tax Liability}}{\text{Taxable income}} \times 100$$

$$= \frac{6,300,000}{30,000,000} \times 100$$

$$= \underline{21\%}$$

Odongo Charles

$$\text{Tax rate} = \frac{\text{Tax Liability}}{\text{Taxable income}} \times 100$$

$$= \frac{5,250,000}{25,500,000} \times 100$$

$$= \underline{20.6\%}$$

14. a)

**AFAAYO TRADERS
CASH FLOW BUDGET FOR THE MONTH OF APRIL , MAY AND JUNE 2017**

DETAILS	APRIL (SHS)	MAY (SHS)	JUNE (SHS)
Balance B/f	33,000,000	32,100,000	26,825,000
Cash inflows			
Sash sales	20,000,000	20,000,000	20,000,000
Donations	2,500,000	2,625,000	2,625,000
Cash flow debtors	21,600,000	12,000,000	12,000,000
Sales of old motor vehicle		8,100,000	
Loan	3,000,000		
Total cash inflows	80,100,000	74,825,000	61,450,000
Cash outflows			
Sales commission	1,000,000	1,000,000	1,000,000
Interest on laon payment	-	-	150,000
Loan repayment	-	-	500,000
Purchase of office furniture	-	-	960,000
Cash purchases	17,000,000	17,000,000	17,000,000
Payment to creditors	18,000,000	18,000,000	16,200,000
Payment for salary and wages	12,000,000	12,000,000	12,000,000
Payment for VAT	-	-	172,800

Total cash outflows	48,000,000	48,000,000	47,982,800
Net cash position	32,100,000	26,825,000	13,467,200

b) The Comment on the Net cash position of the business.

- In the month of April, the business had a surplus of shs. 32,100,000 implying that it had enough cash inflows to finance the outflows.
- In the Month of May the business had a surplus of shs. 26,825,000/= hence it had enough cash inflows to finance its outflows.
- In the month of June, the business had a surplus of shs. 13,467,200 implying that it had enough cash inflows to finance the outflows.

$$\begin{aligned}
 15. \text{ i) Inventory turnover ratio} &= \frac{\text{Cost of sales}}{\text{Average stock}} \\
 \text{Cost of sales} &= \text{Good available for sale} - \text{closing stock} \\
 &= 16,000,000 - 4,000,000 \\
 &= \text{Shs. } 12,000,000
 \end{aligned}$$

$$\begin{aligned}
 \text{Average stock} &= \frac{\text{Opening stock} + \text{closing stock}}{2} \\
 &= \frac{5,000,000 + 4,000,000}{2} \\
 &= \text{Shs. } 4,500,000
 \end{aligned}$$

$$\begin{aligned}
 \text{Inventory turnover ratio} &= \frac{12,000,000}{4,500,000} \\
 &= 2.67 \approx \underline{3 \text{ times}}
 \end{aligned}$$

Interpretation; On average the business replaced its inventory about three times during the trading period.

$$\begin{aligned}
 \text{ii) Credit payment period} &= \frac{\text{Total creditors}}{\text{Total Net purchases}} \times \text{No. of days in a year} \\
 &= \frac{3,000,000}{11,000,000} \times 365 \\
 &= 99.54 \approx 100 \text{ days}
 \end{aligned}$$

Interpretation: It takes the business about 100 days to clear its credit suppliers.

$$\text{iii) Rate of return on capital employed} = \frac{\text{Net profit}}{\text{Capital employed}} \times 100$$

$$\begin{aligned} \text{Net profit} &= \text{Gross profit} - \text{operating expenses} \\ &= (\text{Net sales} - \text{cost of sales}) - 6,000,000 \\ &= 20,000,000 - 12,000,000 - 6,000,000 \\ &= \text{Shs. } 200,000/= \end{aligned}$$

$$\text{Capital employed} = \text{Fixed assets} + \text{working capital}$$

$$\text{Working capital} = \text{current Assets} - \text{current liabilities}$$

$$\begin{aligned} &= (\text{Stock} + \text{Debtors} + \text{cash} + \text{Bank}) - (\text{creditors} + \text{outstanding rent}) \\ &= (4,000,000 + 1,500,000 + 1,600,000) - (3,000,000 + 1,000,000) \\ &= \text{Shs. } 3,100,000 \end{aligned}$$

$$\begin{aligned} \text{Capital employed} &= 8,000,000 + 3,100,000 \\ &= \text{Shs. } 11,100,000 \end{aligned}$$

$$\text{Rate of return on capital employed}$$

$$\begin{aligned} &= \frac{200,000}{11,100,000} \times 100 \\ &= 18.01 \cong 18\% \end{aligned}$$

Interpretation: For every Shs. 100 of capital employed in a business, a net profit of shs. 18 was obtained.

$$\text{iv) Stock turn over period} = \frac{\text{Average stock}}{\text{Cost of sales}} \times \text{No. of weeks in a year}$$

$$\begin{aligned} &= \frac{4,500,000}{12,000,000} \times 52 \\ &= 19.5 \cong 20 \text{ weeks} \end{aligned}$$

Interpretation ; On average, it takes the business about twenty weeks

for it to dispose off its stock and replace it with new one.

$$\begin{aligned} \text{v) Profit mark up} &= \frac{\text{Gross profit}}{\text{Cost of sales}} \times 100 \\ &= \frac{8000,000}{12,000,000} \times 100 \\ &= 66.67 \cong 67\% \end{aligned}$$

Interpretation: For every Shs. 100 spent out cost of goods, a gross profit of about Shs. 67 was expected.

16. a) Considerations that were upheld by Kayemba when presenting his products to customers.

- The cutomers' privacy and ability to use the product
- The target customers' needs
- Giving samples
- Giving guarantees
- Presentation aids like catalogues and charts to back the product

b) Ways through which Kayemba developed the business idea.

- Reading business articles and listening to business discussions in the media.
- Visiting trade shows and exhibitions where he would pick brochures and leaflets about business.
- Conducting surveys where he would have face to face interviews with traders.

c) Advise to the owner on the ways of ensuring quality control in the business.

- Setting / fixing quality standards to follow during production.
- Using high quality raw materials /inputs
- Giving clear instructions and reminders to follow.
- Ensuring cleanliness during production.
- Training club members (on desired skills)
- Using proper packaging materials
- Encouraging / practicing specialization and division of labour.
- Using appropriate technology
- Using appropriate distribution channels
- Undertaking research e.g product research
- Employing skilled club members / workers
- Motivating club members /workers.
- Following technical specification regarding quality and quantity

d) Reasons to justify that Kayemba is a creative sales person.

- He has good judgment – doesn't argue with customers
- He converted his inherited room into a village store
- He is tactful i.e materials good customers relation
- He has a positive attitude towards customers
- Has good selected physical attributes
- Has good personal hygiene, he is always smart in latest fashions all the

time.

e) Other techniques Kayemba should employ to win competition.

- Improving the quality of the products
- Using attractive packaging
- Ensuring effective communication
- Merging with other firms.
- Advertising the products
- Provision of after sales services
- Ensuring good customer care through competitive pricing.
- Through strategic and attractive display of the products
- Charging everyday low prices for the loyal customers
- Training of workers
- Offering discounts
- Ensuring regular supplies of goods and services.

17a) General description of the business project

- Name and address of business project.
- Location of the business
- Target market/ customers served.
- Products served / offered
- Date of establishment

- Source of business finances/ funds
- Description of fixed assets
- Purpose of the business /statement/vision, mission , goals and objectives
- Uniqueness of the business
- Nature/legal form/ ownership of the business
- SWOT analysis

b) Challenges faced when raising startup capital for the enterprise.

- Disagreements on the amount of money to pay
- Disagreements on the particular source to use
- Delayed payment of the agreed money by members
- Failure of some members to pay the money greed upon
- Mishandling of the money raised by the treasurer
- Insufficient support from the school administration
- Lack of collateral security to enable borrowing

c) Social responsibilities of the business we undertook

- Provision of employment opportunities
- Donating to the needy/disadvantaged people
- Cleaning the school compound
- Provision of market to community products

- Provision of finished products to the community
- Sponsoring sports activities
- Provision of entrepreneurial skills to non member students.
- Conserving the environment through tree planting

d) The business operations were monitored using the following tools

- Cash flow statements / budgets / plans
- Production targets
- Operation budgets
- Departmental reports
- Work orders
- Work schedules
- Stock records
- The income statement
- The balance sheet

e) Ways in which time was wasted in business

- Talking with people about personal matters un connected with work.
- Having unnecessary or extra long group meetings
- Allowing too many interruptions
- Being disorganized
- Engaging in little or no delegation

- Being indecisive
- Being late or absent by some members

18. a) Description of the business project above

- Name and address of business project.
- Location of the business
- Target market/ customers served.
- Products served / offered
- Date of establishment
- Source of business finances/ funds
- Description of fixed assets
- Purpose of the business /statement/vision, mission , goals and objectives
- Uniqueness of the business
- Nature/legal form/ ownership of the business
- SWOT analysis

b) The theory of change implemented in the operation of business activities should cover the following areas.

- Vision i.e the long term ultimate goal.
- Impact i.e the long term result of the business
- Outcomes i.e the direct results of the project

- Out puts i.e the actual products produced
 - Activities i.e what exactly was done to achieve impact
 - Inputs i.e resources needed to accomplish the project
- c) Innovations that were undertaken to improve quality of the products.

- Setting / fixing quality standards to follow during production.
- Using high quality raw materials /inputs
- Giving clear instructions and reminders to follow.
- Ensuring cleanliness during production.
- Training club members (on desired skills)
- Using proper packaging materials
- Encouraging / practicing specialization and division of labour.
- Using appropriate technology
- Using appropriate distribution channels
- Undertaking research e.g product research
- Employing skilled club members / workers
- Motivating club members /workers.
- Following technical specification regarding quality and quantity

d) Ways in which customers' complaints were handled.

- Apologizing to customers
- Providing appropriate after sales services

- Replacing the product with a better one
- Refunding the money paid for the product(in case of cash sales)
- Reducing on the price
- Repairing the products
- Convincing the customers about the goodness of the product
- ensuring added convenience

e) Reasons why there was need to train the club /project members

- To equip them with necessary skills for operating the business
- To motivate the members to work hard
- To enable the project stay ahead of competition
- To improve the project image
- To reduce the level of supervision
- To have adequate human resources needed for business expansion
- To increase profitability of the business
- To develop a sense of self –worth, dignity and well-being among the employees/members.
- To increase productivity
- To create a pool of readily available and enough replacements of employees /member who would leave the project.
- To minimize labour turnover

19.a) General description of the business

- Name and address of business project.
- Location of the business
- Target market/ customers served.
- Products served / offered
- Date of establishment
- Source of business finances/ funds
- Description of fixed assets
- Purpose of the business /statement/vision, mission , goals and objectives
- Uniqueness of the business
- Nature/legal form/ ownership of the business
- SWOT analysis

b) Ways of ensuring customer satisfaction by the business.

- Being honest to customers
- Handling customers complaints carefully
- Offering prompt services to the customers
- Having sound knowledge of the business products
- Offering after sales services to customers

- Giving discount to customers e.g those who buy in large quantities and pay promptly.
- Showing good hostility to the customers
- Being tactful in handling difficult situations
- Being available at the business premises to assist customers
- Providing waiting benches
- Welcoming customers' suggestion, opinions, and criticism, through a dialogue.
- Being pleasant to customers

c) The resources available in the local community that favored the establishment of the enterprise.

- Natural resources e.g land, forest , water
- Financial resources e.g capital (cash)
- Human resources e.g employees, managers, etc.
- Technological resources e.g research centers, laboratories, development facilities, machines, tools.
- Information resources – possession of the required knowledge on various aspects.
- Time resources - Having the opportunity to do something
- Material resources e.g buildings, machines etc

d) Marketing activities of the enterprise.

- Carrying out market research
- Producing the product i.e the good or service.
- Setting appropriate prices for products
- Carrying out product promotion e.g advertising
- Selling and distributing the product
- Ensuring customer care
- Performing after sales services

e) The advice to the owner about the ways through which the family can support the business.

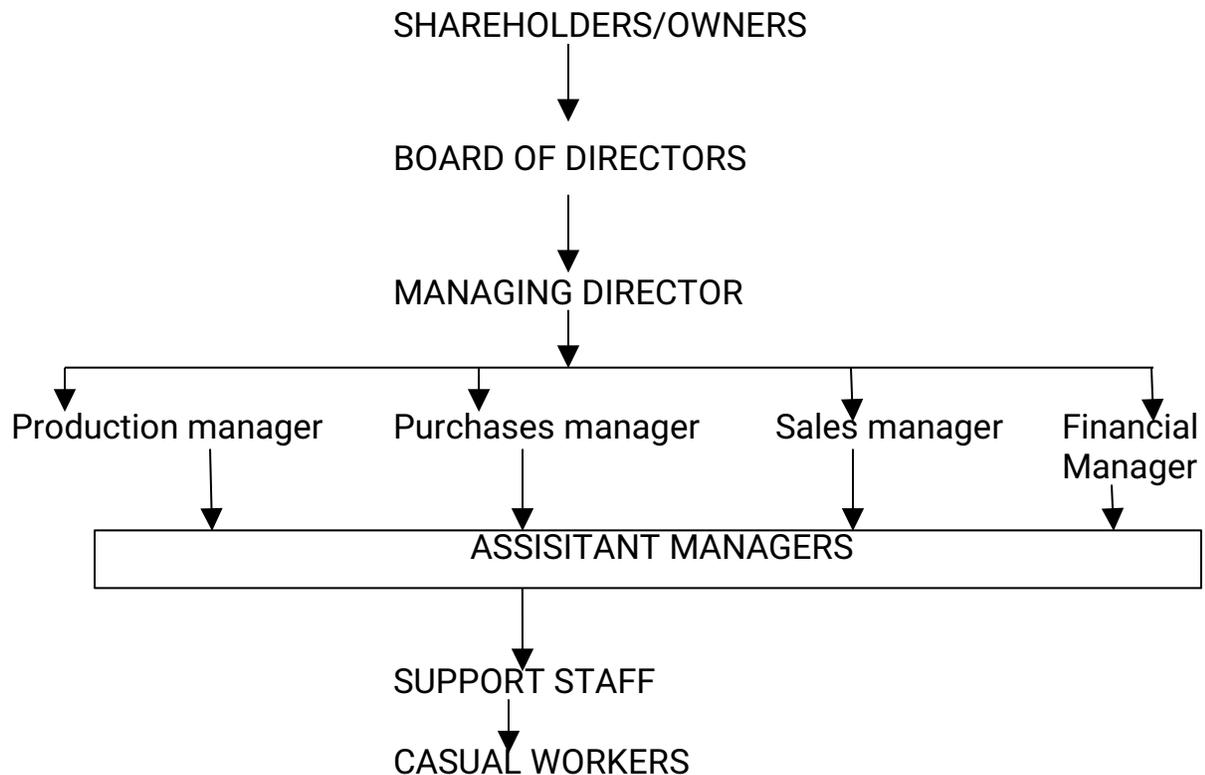
- Through providing cheap labour
- Through provision of capital
- Giving of technical advice on how to run the business.
- Provision of market for the business products
- Conducting /spearheading market research
- Supervising and monitoring of business activities
- Provision of security
- Providing of raw materials and other inputs required for production

20. a) The purpose of the business should include the following

- Statement of vision

- Mission of the statement
- Goals of the business
- Business objectives

b) The organization structure of the business



N.B. This varies depending on the organization.

c) Factors considered when recruiting employees.

- The number of workers required
- The skills required for doing the job (s)
- The nature of work to be done
- Size of the organization

- Age of the employee
- Working experience
- Cost of the employee
- Language spoken by the employee
- Health condition of the employee
- Marital status of the employee

d) The techniques employed by the business when coping with change

- Understand the situation
- Defining the problem
- Finding alternatives
- Selecting action
- Implementing the solution and follow up.

e) Benefits of investing in collective investment schemes

- They ease accessibility to security's investment schemes due to the pooled resources to create a large fund.
- Encourages diversification of risks since funds are invested in different investments.
- There is professional management of business
- There is investor protection due to the effective legal frame work.
- There are lower transaction costs since the fund manager deals in large

quantity of shares at lower average cost.