

UNEB U.C.E ENTREPRENEURSHIP EDUCATION (PAPER 1) 2004

1. You intend to establish a small-scale dairy farm in your area:

a) Name the different: i) products,

ii) by products

of your proposed business.

b) Describe the measures you would take to increase output on your farm.

c) Outline the benefits of your business to the community.

d) In what ways may your business be harmful to the natural environment?

2. KK CO. LTD has the following balances as at May 1, 2003:

Shs

Cash 2, 900, 000

Bank 65,400,000

Debtors (Olima) 12,000,000

Creditors (Oloo) 6,000,000

The following transactions took place during the month of May:

May 2 Olima, a debtor paid his account by cash.

8 bought goods by cheque 44,000,000

11 withdrew from bank for office use 10,000,000

16 sold goods by cheque 28,000,000

25 paid wages in cash 9,200,000

28 sold goods for cash 4,000,000

29 paid Oloo, a creditor by cheque.

30 bought goods by cheque 10,000,000

Questions:

a) Enter the above information in KK's Ledger Book and balance off the accounts at the end of the month.

b) Extract KK's Trial Balance as at 31 May, 2003.

c) Calculate the capital of KK Co.Ltd as at 31 May,2003.

3. You have obtained a loan of Ug.shs50,000,000 from a commercial Bank to establish either a petrol station or a mobile phone shop:

a) Giving reason for your answer, identify the business you would choose to operate

b) Mention the risks you are likely to encounter when operating the business chosen in(a) above.

c) Suggest ways of minimizing the risks mentioned in (b) above.

d) Explain the benefits you are likely to enjoy from running the business.

4. The following particulars were extracted from the books of KAROBWA Enterprises LTD as at 31st December , 2001: shs

Stock on Jan 1 32,000,000
Creditors 60,000,000
Capital 200,000,000
Loans to firms (short-term) 50,000,000
Purchases 116,000,000
Closing stock 40,000,000
Cash 8,000,000
Motor vehicle 100,000,000
Bank 34,000,000
Debtors 38,000,000
Expenses 7,000,000

Questions:

a) Calculate the:

- i. Cost of sales
- ii. Average stock
- iii. Rate of turn over
- iv. Working capital.

b) If the mark up is 25%, determine the:

- i. Turn over
- ii. Gross profit margin
- iii. Net profit

c) Calculate the: i) current ratio.

ii) capital employed.

5. You intend to establish a large-scale bakery project:

- a) List the requirements for your project.
- b) Explain the tasks you would perform as a manager of your project.
- c) What factors would you consider when recruiting employees for your business?
- d) I) Describe the methods of communication you would use when dealing with your employees.
ii) Outline the barriers you are likely to face when communicating with your employees.