

UNEB U.C.E ENTREPRENEURSHIP EDUCATION (PAPER 1) 2007

1. You intended to set up a motor vehicle workshop.
 - a) Outlining the pre-operational expenses you are likely to incur when establishing the business.
 - b) What factors will you consider when recruiting employees for the business?
 - c) Explain the benefits of your business to the community.
 - d) Describe the measures you will take to minimize the negative effects caused by your business to the natural environment.

2. JETI EMPORIUM started a business on January 1st 2006 with capital in cash of shs4, 000,000. During the month, the company carried out the following transactions:

Shs

January 1 bought goods for resale, cash 400,000

2 sold six necklaces 600,000

4 bought ten stoves 500,000

6 sold eight necklaces 960,000

10 sold ten rings on credit to Kato 1,000,000

12 bought 10 rings from SEIKO Co. On credit 750,000

23 bought for cash 12 rings 600,000

25 paid general expenses, cash 400,000

28 sold 17 rings to Kato 1,700,000

30 paid wages to shop assistants 2,000,000

31 paid Seiko Co. 750,000

31 received cash from Kato 1,000,000

Required to:

- a) Prepare the relevant ledger accounts duly balanced.
 - b) Extract a trial balance as 31st January 2006.
3. You have been appointed a manager of a medium size supermarket in town.
 - a) How will you manage cash sales in the business?
 - b) Describe the various business laws that you will observe when conducting the business.
 - c) Outline the steps that you will take to minimize risks in the business.
 - d) Describe the books of accounts you will use for the different types of transactions.

4. a) State any four advantages of bookkeeping to an entrepreneur.

b) DAWDA CO. Ltd started business on January 1, 2005. He maintains the cash book as well as a petty cash book. The petty book is analyzed into travelling, salaries & wages, postage and stationary and sundry expenses columns. The following transactions took place during January, 2005. shs

January 1 started business with shs.5, 000,000 in bank.

2 withdrew from bank for petty cash 1,000,000

3 bought goods from Okodel worth 2,050,000

5 sold goods for cash 4,655,550

6 purchased goods by cheque 445,500

7 transferred cash to the bank 4,655,550

8 paid wages in cash 95,500

10 paid for stamps and envelopes 75,000

12 sent e-mail to London 125,000

13 cash sales to date 522,300

14 paid Okodel by cheque 1,050,000

15 paid cash into bank 522,300

17 paid for fuel 175,000

19 paid wages in cash 95,500

21 cash sales 410,000

22 paid taxi fares 55,000

24 paid rent in cash 100,000

25 paid for repairs in cash 17,400

26 cash sales 388,000

27 paid cash into bank 798,000

28 paid salaries in cash 95,500

Required to prepare DAWDA CO.Ltd's:

- i. Two- column cash book,
- ii. Petty cash book using the imprest system.

5. You intend to start a medium scale grain project in your locality:

- a) What factors will you consider when selecting machinery and equipment for your project?
- b) Describe the methods you will employ to ensure quality production in your project.
- c) Explain the factors that are likely to influence your decision when determining the prices of your products.
- d) Outline the negative effects of your business on the environment.