

845/1

Entrepreneurship

Paper 1

July / August 2025

2 ½ Hours



MATIGO EXAMINATIONS BOARD

Uganda Certificate of Education

ENTREPRENEURSHIP

Paper 1

2 Hours: 30 Minutes

INSTRUCTIONS TO CANDIDATES:

- ❖ *This paper consists of Sections A and B. it has five examination items.*
- ❖ *Section A has **three** compulsory items.*
- ❖ *Answer **one** item from Section B.*
- ❖ *Answer **four** examination items in all.*
- ❖ *Any additional item(s) answered will not be scored.*
- ❖ *All answers must be written on the answer sheets provided.*

SECTION A*Answer all items in this Section.***Item 1:**

Amilah has been saving Shs 1,200,000 from her pocket money while in school. With an additional contribution of Shs 1,800,000 from her parents, she aims to start a profitable business project during her S.4 vacation. However, lacking knowledge of entrepreneurship, she's unsure which business ventures to pursue.

Task: As an entrepreneurship expert, guide Amilah on:

- (a) Potential agribusiness and manufacturing business opportunities she can explore.
- (b) Key factors to consider when selecting a viable business opportunity.
- (c) Essential steps to follow when starting a business.
- (d) Alternative sources of capital she can consider.

Item 2:

After completing their education, Martha, Mark, and Mary decided to become entrepreneurs and start a joint business venture, "Triple M" Bakery, in their hometown of Kakiri. Each partner contributed equally to the startup capital of Shs 1,200,000 and agreed to share profits and losses equally. They collaboratively manage production, marketing, and finances, with Martha taking a more active role. The bakery has become a success in their community.

Task: As a business consultant, help the partners by:

- (a) Creating a partnership agreement document that outlines the terms and conditions of their business relationship.
- (b) Developing a comprehensive production plan that ensures efficient and high-quality bakery operations.
- (c) Designing an effective advertisement for their bakery products using a suitable medium.

Item 3:

A group of 30 women in Kigunga, Mukono, have formed a SACCO called "KIGUNGA BAKYALA TWEZIMBE," which focuses on the sale of agricultural produce. After successfully lobbying for government support, they received Shs 30 million in funding from the Parish Development Model (PDM) Project. The SACCO plans to insure its business activities and open a bank account to manage funds effectively. They also commit to being tax compliant but require guidance on various business aspects.

Task: As an entrepreneurship student, provide the following support to the SACCO members:

- Explain the sources of government revenue used to support entrepreneurs.
- Guide the SACCO members through the process of opening a business bank account.
- Identify suitable insurance policies for their business activities.
- Inform the SACCO members about their rights and obligations as taxpayers.

SECTION B

Answer one item from this section

Item 4:

David operates a stationery shop in Wakiso town. She did not study Entrepreneurship while at school and as a result she employed Lucky Marion the Accounts Clerk. After getting greener pastures Lucky left the job before preparing financial statements which are very vital in financial management.

The balances in the books of David Stationers Ltd as at 31.12.2023 were as below: -

Details	Shs
✓ Cash at hand	1,200,000
✓ Cash at bank	11,000,000
Stock on 1.1.2023	21,000,000
✓ Debtors	8,000,000
✓ Creditors	10,000,000
Return inwards	500,000
Sales	54,500,000
Return outwards	1,500,000
Purchases	20,500,000
Capital	14,900,000
Salaries	4,000,000
Water and electricity	600,000
Postage	200,000
Drawings	900,000
✓ Furniture and fittings	7,500,000
✓ Motorvan	35,000,000
Centenary Bank loan	30,000,000
Rent received	1,200,000
Office rent	1,700,000

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On carrying out stock taking on December 31st 2023, it was discovered that stock worth Shs 13,500,000 had remained unsold.

Task: Help David to prepare her Business financial statements to determine: -

- Profit or loss made by the business.
- Financial position of the business.

Item 5:

Nkima Enterprises Limited deals in sale of electrical appliances. Their attendants lack complete book keeping skills. Their skills are only limited to recording of business transactions.

For the month of May 2024 their records had the following transactions.

2024		Shs
May 1 st	Started the month with a balance from previous month of;	
	Cash in hand	1,500,000
	Cash at bank	8,500,000
May 2 nd	Deposited cash into bank	600,000
May 4 th	Bought goods from Jackie electricals	4,000,000
May 6 th	Sold goods for cash	1,000,000
May 8 th	Bought motorvan by cheque	2,000,000
May 9 th	Cashed a cheque	500,000
May 13 th	Made more sales	650,000
May 14 th	Cash takings	450,000
May 16 th	Paid electricity	1,200,000
May 16 th	Credit purchases from Saimo Traders	2,500,000
May 17 th	Credit sales Fala and Sons	1,250,000
May 18 th	Paid cash to Saimo traders	?
May 19 th	Paid Jackie electricals by cheque	3,600,000
May 20 th	Sold goods to Mark	1,800,000
May 22 nd	Cash sales paid direct into bank	1,000,000
May 24 th	Received a cheque from Mark	1,800,000
May 29 th	Withdrew cash for private use	300,000
May 30 th	Withdrew cash from bank for Business use	500,000

Task: As an expert in book keeping, help Nkima Enterprises to prepare: -

- Appropriate cash book.
- Relevant ledger accounts basing on double entry system.
- Statement to check on arithmetical accuracy of ledger balances.

END