

845/2
ENTREPRENEURSHIP
EDUCATION
PAPER 2
30th July 2014
2 hours 30 mins

ENTEBBE JOINT EXAMINATION

BUREAU Uganda Certificate
of Education

ENTREPRENEURSHIP EDUCATION

Paper 2

2 hours 30 minutes

INSTRUCTIONS TO CANDIDATES:

This paper consists of two Sections A and B.

Section A is compulsory and answers to this Section must be precise and concise.

Attempt only three questions in Section B.

All questions in Section B carry equal marks

Begin each number on a fresh page.

Credit will be given to the use of relevant illustrations and diagrams. Any extra question(s) shall not be assessed.

SECTION A (40 Marks)

Answer all parts of this section.

1. (a) State any four challenges of agri - businesses in Uganda. *(04 marks)*
- (b) (i) What is meant by pre - operating expenses? *(01 mark)*
- (ii) State any three pre - operating expenses of a business. *(03 marks)*
- (c) MAKEMA had the following transactions in his book of accounts:

Particulars	Shs
Land	10,000,000
Furniture	5,000,000
Stock	4,000,000
Creditors	3,000,000
5 - year loan	6,800,000
Debtors	2,000,000

Calculate:

- (i) capital *(02 marks)*
- (ii) total current assets of the business. *(02 marks)*
- (d) Differentiate between the following:
- (i) Interest and profit *(02 marks)*
- (ii) Wage and salary *(02 marks)*
- (e) (i) Give any two characteristics of small- scale retail business in your country. *(02 marks)*
- (ii) Mention any two disadvantages of small scale retail businesses. *(02 marks)*
- (f) (i) Define the term production plan. *(01 mark)*
- (ii) Mention any three factors considered when preparing a production plan. *(03 marks)*

Turn Over

- (g) (i) Distinguish between a petty cash book and a Trial Balance. (02 marks)
- (ii) Mention any two uses of a Trial balance. (02 marks)
- (h) (i) Define a contract. (01 mark)
- (ii) State any three ways in which a contract may be discharged. (03 marks)
- (i) (i) What is meant by depreciation? (01 mark)
- (ii) Given that an asset has a cost value of UGX 100,000 and its depreciation rate is 5% per annum, using the reducing balance method.
- Calculate the value of the assets in the third year. (03 marks)
- (i) Distinguish between saving and investment. (02 marks)
- (ii) Suggest any two ways of promoting savings in your country. (02 marks)

SECTION B: (60 Marks)

Answer any three questions from this Section.

2. (a) Explain the importance of advertising a product. (10 marks)
- (b) Describe various forms of advertising that an entrepreneur can use. (10 marks)
3. (a) Explain the various principles of insurance. (10 marks)
- (b) Describe the procedure of taking out an insurance policy. (10 marks)
4. (a) In what ways have businesses damaged the natural environment in your country? (10 marks)
- (b) Suggest measures that should be taken to minimize the damage caused by businesses to the natural environment. (10 marks)
5. (a) What role do agri- businesses play to the development of your country? (08 marks)
- (b) What challenges do agri - businesses face to the development of your country? (08 marks)

- (c) Suggest any **four** ways of overcoming the challenges above.
(04 marks)
6. (a) Outline the essentials of communication in
business. (06 marks)
- (b) Explain the importance of communication in an enterprise.
(14 marks)

END