



**UGANDA CERTIFICATE OF EDUCATION**  
**UGANDA NATIONAL EXAMINATIONS BOARD**  
**ENTREPRENEURSHIP**  
**PAPER 1 2008**

1. You want to start a petrol station in the nearby trading center:
  - a) Describe the conditions that may influence your decision when locating the petrol station.
  - b) Explain the factors you will consider when recruiting employees.
  - c) State the various methods you will use to promote your business.
  - d) Outline the effects of the business on the environment.

2. The information below belongs to NDEGE ENTERPRISES LTD as at 31<sup>st</sup> December, 2005.

Shs

Capital 50,000,000

Drawings 10,000,000

Stock 20,000,000

Debtors 17,000,000

Creditors 9,000,000

Cash at bank 5,000,000

Cash balance 1,000,000

Premises 32,000,000

Equipment 9,000,000

10 year loan from Century Bank Ltd. 15,000,000

Net profit 20,000,000

Required to:

a) Prepare a Balance sheet as at 31<sup>st</sup> December, 2005.

b) Calculate the:

i. Working capital,

ii. Current ratio,

iii. Gross capital employed,

iv. Net capital employed,

v. Liquid capital.

3. You have acquired a shs10, 000,000 loan set up a furniture workshop:

a) Prepare an estimate of the:

i. Working capital,

ii. Fixed capital

Requirements for the first month of the project.

b) Explain the factors you will consider when selecting machinery and equipment for the project.

c) Outline the benefits of your proposed workshop to society.

d) Giving reasons for your answer, state the type of insurance policies you will take to cover the project.

4. MADU ENTERPRISES maintains a petty cash book on the imprest system, with analysis columns: Motor expenses, Postage, General cleaning, Travel expenses at the ledger.

Below are the transactions for the month of September, 2006:

Shs

**September** 1 the chief cashier gave shs 300,000 as

a float to the petty cashier.

2 bought petrol for the van 16,000

3 paid travel expenses for staff 23,000

3 paid for postage 12,000

4 paid travel expenses for staff 32,000

7 paid for general cleaning 11,000

9 bought petrol for the van 21,000

12 paid travel expenses for staff 13,000

14 bought petrol for van 23,000

15 paid travel expenses for staff 5,000

16 paid for general cleaning 11,000

18 bought petrol for the van 22,000

20 paid for postage 12,000

22 paid for general cleaning 11,000

24 paid travel expenses for staff 7,000

29 settled accounts of Mr. C. Brown 13,000

30 paid for postage 12,000

Required to:

a) Prepare the petty cash book for MADU ENTERPRISES and balance it on September 30, 2006.

b) Transfer the accounts to the ledgers.

5. You intend to start farming project in your community:

a) Outline the factors you will consider when locating your project.

b) Prepare an action plan for your proposed project.

c) How will you ensure quality products in your business?

d) In what ways is your business dependent on the natural environment?

END