Term 1 Examination-2019
S.3 Entrepreneurship
Paper one

INSTRUCTIONS

Time: 2hrs 30 mins

Attempt any 4 questions

1. *a(i) what is a trial balance? (1 mk)*

ii) outline the errors that will not affect the total balances of th trial balance. (6 mks)

b) The following balances were extracted from the books of Elizabeth as at 31st December 2014

Items	*shs*
Stationery	*550,000*
General expenses	*900,000*
Rent	*900,000*
Motor expenses	*500,000*
Commission received	*500,000*
Purchases	*86,000,000*
Sales	*100,000,000*
Opening stock	*30,000,000*
Closing stock	*25,000,000*
Buildings	*130,000,000*
Debtors	*10,000,0000*
Creditors	*15,0000,000*
Overdraft	*9,000,000*
Machines	*59,000,000*
Capital	*120,000,000*
Drawings	*13,000,000*
6 years loan	*86,350,000*

Required

a) prepare Elizabeth's trial balance as at 31st December 2014. (10mks) *b) calculate*

i) fixed capital (1mk)

ii) borrowed capital (1mk)

iii) working capital (2mks)

iv) capital employed (2mks)

v) average stock (2mks)

2. you intend to establish a shoe making workshop

a) what factors would you consider when choosing a site for your workshop? (7mks)

b) explain the factors you would consider when selecting raw materials for your business (7mks)

c) how would you package your products? (6mks)

d) outline the ways in which your business will benefit the society (5mks)

3. a) what is meant by the term imprest system? (2mks)

b)A company's petty cashier is given an imprest of shs 1,200,000 for a period of one month. The expenditure were as follows

March 2nd bought 2 reams of duplicating paper 60,000

3rd paid transport 40,000

4th bought tea accompaniments for board members 100,000

5th bought 2 dozens of pencils at 240,000

6th paid compound cleaner's wage 60,000

8th bought 10 brooms for compound cleaning 100,000

10th paid for stamps and postage 50,000

11th paid money for special hire 120,000

12th bought 3 dozens of omo for cleaners 36,000

15th bought ink for duplicating machine 150,000

17th bought sodas for members of staff 120,000

Required

b)prepare a petty cash book with analysis columns for stationery,travelling,cleaning and general expenses. (15mks)
c) balance the petty cash book and make relevant entries in the ledger (8mks)
4. You want to start a petrol station in the near by trading centre
a) Describe the conditions that may influence your decision when locating the petrol station (7mks)
b) Explain the factors you will consider when employing workers (7mks)
c) state the various methods you will use to promote your business (5mks)
d) outline the effects of the business on the environment (6mks)
5. SEEDS (U) Ltd has the following credit purchases and sales for the month of June 2015
June 1st bought 5 sacks of beans at shs 100,000 each from Okello
3rd bought from Isabirye and sons, 10 sacks of maize at shs 70,000 each
4th sold to Clare Ltd ,2 sacks of beans at shs 120,000 each and 4 sacks of maize at shs 80,000
5th bought from okello, 10 sacks of beans at shs 90,000 each
6th sold to Mbogo Traders, 4 sacks of maize at shs 80,000 each
7th bought from Joy, 5 sacks of maize at shs 90,000 each and 4 sacks of beans at shs 95,000 each
10th bought Isabirye and sons,5 sacks of maize at shs 65,000 each
14th sold to Clare Ltd 6 sacks of maize at shs 80,000 each and to Black boys,4 sacks of beans at shs125,000 each
18th sold to mbogo Traders, 10 sacks of maize shs 85000 each and to Good day Ltd,7 sacks of millet at shs 120,000 each
22nd bought from city traders,10 sacks of maize at shs 200,000 each and from Joy, 6 sacks of millet at shs 65,000 each

25th sold to Ramula, 4 sacks of rice at shs 250,000 each
26th bought from Joan Ltd, 2 sacks of beans at shs 120,000 each and 2 sacks of rice at shs 200,000 each
28th sold to Ruth: 6 sacks of millet at shs 75,000 each

a) Required, prepare

i) purchases journal (10 mks)
ii) sales journal (10 mks)

b(i) purchases general journal (3mks)
ii)sales general journal (2mks)

END