ENTREPRENEURSHIP EDUCATION

S.3 Paper 1

2 Hours

INSTRUCTIONS

Attempt any 3 questions

1a) Define book keeping

b) State five importance of book keeping

c) The following transactions were extracted from the books of SONIA which took place in the month of March 2018.

1st started business with cash in hand shs 10,000 and cash at bank shs 20,000

2nd paid fixtures by cheque shs 1,250

3rd bought motor van for cash shs 3,600

5th bought goods on credit for shs 5,400

6th cash sales shs 4000

7th cash purchases shs 4,500

8th banked cash shs 2,000

10th paid Ruth shs 4000 by cheque

16th bought goods from Joan shs 3000

20th sold goods for shs 2500

21st paid Janet shs 5000

29th received cash from Ramlah shs 6000

Required

- **i)** Open SONIA's two column cash book
- **ii)** Open up the relevant ledgers

2 a) Define

- i) Imprest system
- ii) Imprest amount
- iii) Re-imbursement

b) State the advantages of preparing a petty cash book

c) TWINA Beauty salon prepares its petty cash book monthly with an imprest amount of shs 150,000 on 1st June 2017,the business opened up with following transactions

1st postage stamps and envelopes shs 6000

3rd glue and cellotape shs 2500

8th news paper vendor shs 12,800

11th manager's fuel bills shs 25000

14th shop cleaning for two weeks shs 4700

15th taxi hire for out door services shs 10,000

20th creams and lotions shs 50,000

21st barbers' wages shs 15000

23rd telephone cards shs 27500

24th cleaning materials shs 18000

26th detergents shs 27300

27th telegrams shs 3400

28th paid stationery shs 15000

29th paid tax fares shs 10,000

30th paid his supplier kasodde shs 12000

Required

prepare TWINA Beauty salon's petty cash book with analysis columns of postage,stationery,shop expenses,travelling and ledger

3. You are a manager of a fast growing poultry farm in your district.

a) Prepare a purchase order for the farm's input

b) write a letter of inquiry to the supplier to the farm

c) prepare a cash receipt for your customer who has bought goods from your business

d) Prepare an invoice issued to your customer who buy on credit basis

e) present a delivery note to your supplier.

4. The following balances were extracted from the books of Kiberu and sons for the year 2016.

Item	Amount(shs)
Sales	9000000
Return inwards	100000
Return outwards	500000
Purchases	6000000

Debtors	460000
Stock(1/1/2016)	500000
Stock(31/12/2016)	380000
Drawings	300000
Cash balance	1200000
Bank balance	4800000
Premises	8000000
Equipment	3500000
Furniture	4000000
Creditors	600000
Carriage inwards	300000
2 years loan	2000000
Debentures	4000000

Required

Calculate;

i) Net sales
ii) Net purchases
iii) Cost of sales
iv) Average stock
v) Borrowed capital
vi) Liquid fund
vii) Working capital

viii) Circulating capital

ix)Capital employed

END