KIYALA HIGH SCHOOL

MID-TERM ASSESSMENT TEST 2025

ENTREPRENEURSHIP

S.4

Time: ***2 Hours: 30mins***

INSTRUCTIONS:

- The paper contains ***five*** items and two **sections A and B**
- Section A is **compulsory.**
- Attempt ***only one*** items from section B.
- Any ***additional item*** attempted ***will not*** be scored

Section A

Item 1

Okia has two acres of land next to a forest. He has saved 4,000,000 Uganda shs. And would like to use these resources to start a business, he is not sure of what to do.

Task

Use your entrepreneurial skills to Okia;

a) Select four types of businesses.

b) Budget for only one selected business.

Item 2

Akurut is a business woman in Kumi. She started a wholesale shop because her cousin sister Arionget was doing the same business. She lacked commitment, she had no records of her purchase and sales. Many times, Akurut would just pick items from the wholesale shop to visit her relatives. After a year, shelves in the wholesale shop were empty and she was unable to stock, she had low sales which resulted to law profit harvests. Arionget was hardworking entrepreneur.

Item 3

Simon owns a bakery in a trading centre in his home area. He recruited employees who start working from 5:00am to 11:00pm at a pay of UG shs. 1,500 per day yet none of them has a working contract. The town council authorities have threatened to close Simon's for not paying

taxes. Simon does not know the taxes to pay. At times, customers return bread bought to Simon claiming that it weighs less than what is indicated on the label.
Last week, there was a short circuit that caused fire in the bakery. An oven was destroyed and production in the bakery stopped for four days. The bakery delivery van which had a comprehensive insurance policy was also stolen. Simon is now confused and is wondering whether he should close the business or continue with it.

Task

- **a)** What are the likely effects of Simon's behavior on the business?
- **b)** Explain to Simon how he should solve the challenges in the scenario.

Section B

Item 4

Betty was employed as accounts assistant. Unfortunately, Betty left the job before checking the arithmetic accuracy of the balances extracted from the business ledgers and determine the profit or loss of the business as at 31/12/2024. The balances were as follows.

Item	Uganda shillings
Stock (1st January, 2023)	4,100,000
Purchase of farm produce	5,700,000
Purchase returns	1,100,000
Sale of farm produce	10,200,000
Sale returns	1,200,000
Land and buildings	44,400,000
Vehicle	13,000,000
Weighing scale machine	500,000
Advertising	700,000
Capital	63,460,000
Furniture and fittings	3,500,000
Debtors	600,000
Creditors	1,300,000
Electricity bills	200,000
Salaries and wages	2,160,000
Stock (31st December, 2024	2,200,000

Task

Prepare for Betty the relevant business financial statements.

Item 5

In January 2024, Moses is cashier left for another job before preparing the financial statements for the business. The cashier left the details obtained from the ledger balances of the supermarket for the year ending 31st December, 2024 as follows;

Items	Uganda shillings
Capital	6,850,000
Sales	5,200,000
Purchases	3,800,000
Cash at hand	5,720,000
Furniture	600,000
Discount received	400,000
Refrigerator	1,200,000
Creditors	870,000
Repairs for refrigerator	320,000
Drawings	1,100,000
Electricity bills	1,440,000
Salaries and wages	1,800,000
Stock of food items (31st December, 2023)	720,000
Bank loan	2,660,000

However, Moses is too busy to complete the process.

Task

Prepare for Moses the relevant financial statement to;

- **a)** Check the arithmetic accuracy of the ledger balances.
- **b)** Determine the profit or loss made by the business

SUCCESS