

OLGC

END CORONA HOLIDAY

S.6 ENTREPRENEURSHIP P230/2

1 ½ HRS

Attempt all the numbers

1. You have acquired a loan worth shs 60,000,000 for establishing a new branch of your metal works project. the loan is payable in six equal monthly installments at a monthly interest of 2% on reducing balance method
 - a. Prepare a loan repayment schedule
 - b. Prepare an action plan for the business expansion
 - c. Develop a week's work schedule for your employees
 - d. Formulate guide lines for proper loan management
2. You are engaged in manufacturing of Human drugs including tablets and syrups as well as offering treatment to outpatients
 - a. Design a label to be placed on the cough syrup
 - b. Design a reception register for your business
 - c. Prepare a payroll for your workers for the month just ended
 - d. Prepare a quotation to one of the customers who has picked interest in your products
3. Kwata investment limited had the following information
 - a. The business expects to sell goods every month worth shs 40,000,000 and a receive only 60% in the month of sale and the remaining amount to be got in the next month for sale.
 - b. Monthly purchase of 10 sacks of sugar was shs 400,000 per sack
 - c. Monthly projected salaries for 50 workers were shs 150,000 per worker
 - d. The business hopes to get a loan in may totaling to shs 2,000,000
 - e. The monthly interest on the loan is 5% payable after one month grace period
 - f. Balance d/d on March 1st shs 18,600,000
 - g. Monthly cash sales amounted to shs 12,000,000 but this is expected to reduce by 10% after two months
 - h. The business expects donation in cash worth shs 5,000,000 per month but this is expected to reduce by 20% monthly
 - i. Shs 200,000 was to be paid to Jane enterprise as a commission per month
 - j. The business was to transfer shs 600,000 per month to private fund of the entrepreneur
 - k. The business plans to buy a motor van worth shs 20,000,000 in the first month and pay shs 500,000 as down payment and the balance to be effected in the ratio of 2/3, 1/3 in the next month

- I. The business will finance any cash short fall with a debenture at the beginning of the next month with an interest of 10% payable after a two months grace period
 - I. Prepare a cash flow statement for the period of three months
 - II. Comment on the net cash position of the business for each month
 - III. Advise the owner on the way of overcoming cash short fall in the business

I WISH YOU A PROSPEROUS CORONA HOLIDAY