

**S6 ENTERPRENUERSHIP
PROJECT MANAGEMENT PAST PAPERS**

1. You are a marketing manager for a mineral water company in your district. You have identified weaknesses in marketing of the productions.
 - a) Draft a customer questionnaire for establishing the causes of low sales of business products. (06 marks)
 - b) Prepare a job specification for the incoming sales manager. (06 marks)
 - c) Advice management on strategies to be followed to improve on sales of business products. (07 marks)
 - d) Presents daily distribution schedule for business products. (06 marks)
2. You have been appointed a managing Director of a firm dealing in the production of tinned fish which is experiencing inadequate monitoring and supervision.
 - a) Develop guidelines for staff to ensure proper code of conduct for the employees. (07 marks)
 - b) Write a warning letter to a sales assistant who has failed to meet the performance targets of the business. (06 marks)
 - c) Design a time sheet for use n the business. (06 marks)
 - d) Draft a one day's training programme for your employees. (06 marks)
3. You are engaged in the production and packaging of Groundnuts and simsim paste in your town.
 - a. Design a brand label to be placed on the container of packaging materials.
 - i. (07 marks)
 - b. Prepare a financial plan for the business. (07 marks)
 - c. Customers have raised complaints about salesperson. Write a memo to the marketing manager to address customers complaints. (06 marks)
 - d. Draw a marketing budget of shs. 20 millions for a month. (05 marks)
4. You own a construction company which has won a contract to build a school canteen.
 - a) Design a contract information board to be placed at the project site. (06 marks)
 - b) Formulate terms and conditions to be included in the contract agreement. (07 marks)
 - c) Prepare an invitation for bids to supply construction inputs. (06 marks)
 - d) Design a stock requisition form to be used in the business. (06 marks)
5. You are operating a maize milling plant and have obtained a loan of shs. 50,000,000 to establish an animal feeds processing plant.
 - a) Draft a budget for pre operating expenses for an animal feeds processing plant.(5 marks)

© **Mount of Olives College Kakiri**

- b) Prepare a marketing plan for the proposed business. (7 marks)
 - c) Prepare the creativity policy for the proposed business enterprise. (7 marks)
 - d) Design a job description for the sales representative. (6 marks)
6. You are engaged in production and marketing of fruit juice.
- a) Develop a brand design to be placed on the packaging material. (6 marks)
 - b) Prepare a one week promotional plan for business products. (7 marks)
 - c) Prepare a document to correct an over charge of shs. 1,000,000/= for one of the business customers. (5 marks)
 - d) Formulate policy guidelines for enhancing good business ethics (7 marks)
7. You are managing a construction firm and have won a tender to construct headquarters for Buikwe District.
- a) Write an acceptance letter to the District Tender Board.(5 marks)
 - b) Design a contractor's information board for this project.(5 marks)
 - c) Formulate terms and conditions to be included in contract. (7 marks)
 - d) Design a stock requisition form to be used to acquire materials from store. (5 marks)
8. You are managing a salon in your locality
- a) Design a customer satisfaction survey form to be issued to customers. (6 marks)
 - b) Prepare a week's work schedule for employees. (7 marks)
 - c) Draft guidelines for managing workers discipline. (7 marks)
 - d) Design a job application form to be used. (5 marks)
9. You have bought seven buses for operating tour and travel business. Two of the buses are to be sold off for cash each raising more working capital.
- a) Prepare a daily travel schedule for the buses. (07 marks)
 - b) Draw vehicle maintenance program for the buses. (06 marks)
 - c) Design a bus fare ticket to be issued to passengers. (06 marks)
 - d) Draft an advertisement for the sale of the two buses. (06 marks)
10. You have established the only regional hardware store selling building and construction materials of leading producers in the country.

© **Mount of Olives College Kakiri**

- a) Prepare weekly work schedule for your staff. (06 marks)
 - b) Design a stock card to be used for proper stores management. (06 marks)
 - c) Draw a marketing flow chart for the business. (06 marks)
 - d) Develop terms and conditions for credit sales. (07 marks)
11. You own an amusement park which you intend to expand. It has attracted many customers and visitors because of the modern facilities for playing exercises, and restaurant services available.
- a) Design a reception register for the business. (05 marks)
 - b) Prepare a flier to be issued to the potential customers. (06 marks)
 - c) Make a certificate of merit to be issued to your employee with outstanding performance. (07 marks)
 - d) Formulate guidelines for proper handling of the amusement park facilities. (07 marks)
12. The region you come from is experiencing a threat of desertification which requires immediate attention. You have developed a business idea of establishing a social enterprise to address the problem.
- a) Carry out root cause analysis for fixing the problem. (06 marks)
 - b) Draw a programme for becoming a social entrepreneur. (06 marks)
 - c) Design a pay role for use in the business. (06 marks)
 - d) Draft an operational budget for your project. (07 marks)
13. You have acquired a loan of Ugx. 18,000,000/= from Bank of Africa to clear your goods from Uganda Revenue Authority. The borrowed money is to be repaid in the next 5 years at an interest rate of 10% per year in 5 equal instalments.
- (a) Develop a loan amortization schedule you are to follow (08 marks)
 - (b) Explain any **three** factors the bank will consider before issuing you with the funds required
 - (c) Complete the loan application form issued to you by the bank (06 marks)
 - (d) How will you ensure proper handling of the borrowed funds? (05 marks)
14. You and your friends have opened up a new business in your home locality dealing in compound designing and maintenance; however, you have a challenge of acquiring office space from where to carry out your operations.

© ***Mount of Olives College Kakiri***

- (a) Write a letter to one of your business partners requesting her to assist you look around for an appropriate office. **(07 marks)**
- (b) Formulate the terms and conditions you will follow when recruiting workers in your company. **(06 marks)**
- (c) Prepare a partnership deed to govern your operations **(07 marks)**
- (d) Advertise your business using a signpost **(05 marks)**

15. The Government of the Republic of Uganda plans to organise Local Council 1 elections next year in the month of April and it has been resolved that these elections shall be by secret ballot. However, to accomplish this task, Government through the Ministry of Local Government is calling for bids to supply the Electoral Commission with the required stationery.

- (a) As an official of the Ministry in charge of this exercise, write a bid notice that is to be placed in the newspapers **(08 marks)**
- (b) Explain any **five** reasons why non-registered businesses will not be considered eligible for this business deal **(05 marks)**
- (c) Design a stock requisition form to be used during this exercise **(06 marks)**
- (d) Write a memo to all District chairpersons inviting them for an urgent meeting to discuss the issue **(06 marks)**

15. Uganda is currently experiencing a huge challenge of sugar shortage; as a person with an entrepreneurial mind-set you have spotted a prime business opportunity as a result and thus decided to set up a sugar processing plant in your home area to assist Government in addressing this challenge.

© **Mount of Olives College Kakiri**

- (a) Prepare a cash withdrawal slip of shs. 50,000,000 from your bank **(06 marks)**
- (b) Design a label to be fixed on the packaging material of your product **(05 marks)**
- (c) Draft a programme that you will follow on the day of launching your business enterprise.
- (d) Develop a distribution schedule for the company **(06 marks)**

16. Your electronic shop is experiencing declining sales due to poor customer care. The management has decided to recruit new staff as a means of solving this problem.

- a. Design a job application form to be used in the recruitment process. (07 marks)
- b. Develop a root cause analysis tool for declining sales (06 marks)
- c. Formulate policy guidelines for managing workers' discipline. (06 marks)
- d. Write an invoice for a customer who has taken goods worth Sh. 10,000,000. (06 marks)

17. You are engaged in the production and packaging of poultry and animal feeds in your town.

- a. Draw a week's work schedule for your employers (07 marks)
- b. Prepare a marketing plan for your business (07 marks)
- c. Design a brand label to be placed on your packaging materials. (06 marks)
- d. Write an appreciation letter to the best employee of the year. (05 marks)

18. You are running an agricultural produce store handling different categories of agricultural produce.

Present policy guidelines for presenting business products to customers (06 marks)

Design a daily distribution schedule for your business products. (07 marks)

Prepare a delivery note for delivering 1000 kgs of beans to MM High School P.O.
Box 402 Mukono (05 marks)

Draw a programme for recovering money from business debtors. (07 marks)

19. You are operating a small scale Tea processing project.

- a. Draw a programme for taking an insurance policy for your business property. (07 marks)

© **Mount of Olives College Kakiri**

- b. Develop guidelines for enhancing good customer care in your business. (06 marks)
 - c. Design a Newspaper advert for promoting business products. (06 marks)
 - d. Write a bid notice for the supply of 3 (three) business vehicles. (06 marks)
20. You have just decided to transform your private business into a public company dealing communication equipment.
- (a) Draft an agenda for a meeting of promoters of the company.
 - (b) Write a MEMO inviting fellow directors for the annual general meeting
 - (c) Describe the requirements for registration of the above business
 - (d) Prepare the memorandum of association required for registration of the company.
 - (e) Design a share certificate to be issued to the shareholders.
 - (f) Write the company profile.
21. You are running a business dealing in sale of old assets usually on credit
- (a) Design a credit recovery programme for your business
 - (b) Describe the sources from which you will establish the customers' credit worthiness.
 - (c) Develop guidelines for management of credit sales
 - (d) Suggest ways of encouraging customers pay promptly
 - (e) Design an asset register for use in the enterprise.
 - (f) Prepare a newspaper advert for sale by auction of furniture and computers.
22. You have registered a company dealing in real estate development
- a. Draft a Land sale agreement for four plots in Kyebando-kawempe.
 - b. Draw a quotation for the four plots in Kyebando-Kawempe.
 - c. Draft terms and conditions for ensuring discipline of your employees.
 - (d) Suggest ways of controlling cash flows in your business.
23. You are running a modern maize mill which is experiencing a decline in sales due to poor financial management and you intend to recruit a new Financial controller.
- a. Draft a job advert for the recruitment of a new financial controller.
 - b. Design a recruitment programme for the above job.
 - c. Prepare a financial plan to be used in your business.
 - (d) Prepare a site plan for your business.

24. The region you come from is having a cholera threat due to poor disposal of human and animal waste. You intend to start a social enterprise to address the problem.

- (a) Carry out a root cause analysis for the above challenge.
- (b) Design a GEPIC structure model advocating for community support.
- (c) Write a letter inviting the district Health inspector to the official launch of your activities.
- (d) Explain the strategies for ensuring sustainability of your business.
- (e) Prepare a plan for becoming a social entrepreneur

FINANCIAL MANAGEMENT FOR PAST PAPERS

1. The following balances were extracted from the financial statement of Nalufenya Enterprises at the end of 2016.

Particulars	Shs
Cash	2,010,000
Bank	(600,000)
Sales	35,000,000
Purchases	9,500,000
Average stock	4,000,000
Rate of stock turn	5 times
Fixed Assets	5,000,000
Accounts payable	450,000
Closing stock	2,500,000
Accounts receivable	6,590,000
Total operating expenses	8,750,000
Interest receivable due	50,000

Required to;-

- a) Calculate;-
 - (i) Cost of sales (02 marks)
 - (ii) Gross profit (02 marks)
 - (iii) Net profit (02 marks)
 - (iv) Opening stock (02 marks)
 - (v) Net profit ratio (02 marks)
 - (vi) Working capital (03 marks)

© **Mount of Olives College Kakiri**

- b) Compute and interpret
- (i) Stock/ Holding period in weeks (03 marks)
 - (ii) Rate of creditors turnover (03 marks)
 - (iii) Quick Asset ratio (03 marks)
 - (iv) Debtors collection period in days (03 marks)
2. The following projections relate to Kakira Enterprises during the months of May, June, July and August 2017.
- (i) On May 1, 2017 the enterprise had a cash balance of Shs. 40,000,000 and Bank balance of Shs. (8,000,000).
 - (ii) Outputs of 600 units, 650 units, 750 units and 950 units each at Shs. 1,200 were to be sold in the months of May, June, July and August on cash basis.
 - (iii) Monthly credit sales were projected to be 25% of cash sales but payment would be received next month less 5% discount.
 - (iv) Donations were projected as follows:-

Month	Shs
May	1,000,000
June	1,800,000
July	1,500,000
August	3,000,000 (inform of physical goods)

- (v) The business receives monthly rent income from its property. Rent received on 30th. June was Shs. 600,000 but this was expected to increase by 10% after one month.
- (vi) Inputs of 500 units, 800 units, 1100 units and 1400 units each at Shs. 950 were to be purchased on cash basis.
- (vii) Monthly expenses were projected as follows:-

Expenses	Shs
Utilities	250,000
VAT	180,000
Advertising	100,000

In July, no VAT was paid.

- (viii) Credit purchases of Shs. 900,000 were made in June. The business has a policy of paying for credit purchases in 2 equal installments after one month.

© **Mount of Olives College Kakiri**

- (ix) The business has a policy of paying a 5% sales commission on total monthly sales. No commission was paid in the first 2 months.

You are required to;-

- a) Prepare Kakira Enterprises' cash flow statement for four months (21 marks)
b) Advise Kakira Enterprises on various ways of managing business cash surpluses (04marks)

3. (a) Study the table below and answer questions that follow

Income earner	Employment income (shs)	Business income (shs)	Property income (shs)
Mukasa Joseph	1,000,000	2,000,000	3,400,000
Opio Dan	800,000	1,900,000	2,700,000
Nakato Mable	1,200,000	2,100,000	3,800,000
Okello Bob	600,000	1,400,000	2,300,000

For each of the above income earner the tax exempt is 8% of their total income. While the expenses take 12% of total income.

- (i) Gross income. (8 marks)
(ii) Taxable income. (8 marks)

(b) MK Publishers Ltd employees three workers Okello Moses, Walimbwa James and Olupot Francis and they earn shs. 750,000, shs 310,000 and shs 1,500,000 per month respectively given the tax bracket below;

Taxable income per month	Rate
0 - 325,000	Nil
235,000 – 335,000	10% of the amount that exceeds shs. 235,000
335,000 – 410,000	Shs. 10,000 plus 20% of any amount that exceeds 335,000.
Above 410,000	25,000 plus 30% of amount that exceeds 410,000.

Compute PAYE for each worker. (6 marks)

- (c) Suggest ways of improving tax compliance. (3 marks)

4. The following information was extracted from records of Kikuubo traders for the period ended 31/12/2016.

	Shs
Inventory (1/01/2016)	6,000,000
Inventory (31/12/2016)	5,000,000
Inventory turnover ratio	3 times
Turnover	30,500,000
Net profit ratio	20%
Delivery van	1,800,000
Fixtures and fittings	1,000,000
Debtors	1,650,000
Creditors	2,500,000
Insurance due	1,500,000
Equipment	250,000
Bank balance	750,000
Cash balance	600,000

Required to;

(a) Calculate

- (i) Cost of sales. (3 marks)
- (ii) Net purchases. (3 marks)
- (iii) Goods available for sale. (2 marks)
- (iv) Total operating expenses. (3 marks)

(b) Compute and interpret.

- (i) Current ratio. (4 marks)
- (ii) Quick asset ratio. (4 marks)
- (iii) Credit collection period in weeks. (3 marks)
- (iv) Fixed asset turnover ratio. (3 marks)

5. The following information relates to Pamoja Enterprises for the period

Ending 31st December 2015

Item	shs
Stock 1 st January	1,300,000

31 st December	2,400,000
Purchases	19,500,000
Sales	28,000,000
Gross profit	9,600,000
Net profit	3,494,000
Creditors	3,672,000
Debtors	2,500,000
Drawings	500,000
Current assets	13,426,000
Bank loan	3,200,000
Current liabilities	4,427,000
Fixed assets	3,195,000

Required to;

- (a) Compute;
- (i) Gross profit markup (03 marks)
 - (ii) Stock turnover period. (03 marks)
 - (iii) Quick asset ratio. (03 marks)
 - (iv) Average creditor payment period. (03 marks)
 - (v) Rate of turn on capital employed. (03 marks)
 - (vi) Working capital turnover ratio. (03 marks)
 - (vii) Debt equity ratio. (03 marks)
- (b) Interpret the results in 5a (ii) and (v) above. (04 marks)
6. Polepole investment Ltd operates various businesses in the West Nile region. In 2015 the business records revealed the following information;
- a) In March the business sold stock worth shs. 50 million to LMZ at shs. 75 million VAT exclusive. Using VAT rate of 20%, calculate the;
- (i) Input VAT (03 marks)
 - (ii) Output VAT. (03 marks)
 - (iii) Total VAT paid (02 marks)
- b) Rental income was shs. 25 million. Expenditure and loss incurred to earn the income were 20% of the income while rental income tax was 20% of chargeable rental income and threshold was shs. 3million per annum. Calculate;
- (i) Net rental income (02 marks)
 - (ii) Chargeable income. (02 marks)
 - (iii) Rental income tax. (02 marks)

© **Mount of Olives College Kakiri**

- c) The business imported textiles worth CIF value US \$20,000. The textiles extracted import duty of 30%, excise duty of 50%, VAT 20%, and withholding tax of 10%.

Given the exchange rate of US \$=UG shs 3,000, calculate the amount of taxes paid by the business.
(11 marks)

7. The Trial Balance below was extracted from the books of **J.T. Confectionery Limited** as at December 31, 2015.

Particulars	Dr (Shs)	Cr (Shs)
Purchases and sales	25,000,000	45,000,000
Returns	500,000	400,000
Stock January 1, 2015	9,500,000	
Electricity	1,000,000	
Salaries and wages	2,500,000	
Advertising	300,000	
Rent	700,000	
Discounts	150,000	200,000
Furniture and fittings at cost	5,000,000	
Motor vehicle at cost	10,000,000	
Drawings	1,450,000	
Motor van at cost	8,500,000	
Debtors and creditors	1,800,000	1,555,000

© **Mount of Olives College Kakiri**

Bad debts	200,000	
Bank overdraft		1,300,000
Provision for bad debts		150,000
Capital		9,495,000
TOTALS	58,100,000	58,100,000

Additional information as at December 31, 2015.

- (i) Stock was valued at shs. 5,000,000
- (ii) Electricity accrued shs 500,000
- (iii) The provision for bad debts should be charged at 5 % on debtors
- (iv) Prepaid rent shs 200,000
- (v) Advertising bill due shs 100,000
- (vi) Depreciate furniture and fittings at 10% and motor vehicle at 15% per annum all on cost.

Required:

(a) Prepare an Income Statement for the year ended December 31, 2015. **(13 marks)**

(b) Determine the value of the following as at December 31,2015.

(i) Fixed assets **(02 marks)**

(ii) Current assets **(02 marks)**

(iii) Liabilities **(02 marks)**

(c) Compute and interpret the:

(i) Current ratio **(03 marks)**

(ii) Average credit period for sales (assume 365 days in a year) **(03 marks)**

8. Gift Holdings Limited (GHL) had the following balances for the months of January, February, March, and April.

- (i) January 1, GHL had a cash balance of shs 20,000,000.
- (ii) Monthly credit sales of shs 4,000,000 but payment was made in the following month.
- (iii) The business bought a motor van of shs 18,000,000 on hire purchase in February and the down payment was shs 8,000,000; the balance was paid in a ratio of 2:3 respectively in the following months.
- (iv) Monthly cash purchases stood at shs 5,000,000.
- (v) Monthly cash sales were shs 2,000,000.
- (vi) The business got a loan of shs 10,000,000 in the month of March at an interest rate of 5% on the principal.
- (vii) The company's monthly wages and salaries amounted to shs. 1,500,000.
- (viii) Monthly income from rent was shs. 500,000 which increased by 5% in the last two months.
- (ix) GHL received a donation of shs. 8,000,000 in the month of April.
- (x) Payment of electricity bills amounted to shs 300,000 in January and February.
- (xi) Monthly taxes were shs 180,000.
- (xii) Monthly credit purchases amounted to shs 600,000 and payment was made in the last month.
- (xiii) The business sold a machine on and received cash of shs. 600,000 in the second month.

© **Mount of Olives College Kakiri**

Required:

- (a) Prepare GHL's cash flow statement for the months four months **(16 marks)**
- (b) Comment on GHL's cash status **(03 marks)**
- (c) Advise GHL's Management on how to deal with cash deficit. **(06 marks)**

9. The following balances were extracted from BAMU's books of accounts on 31/12/2015.

	Sh (000)
Net sales	20,000
Net purchases	11,000
Goods available for sale	16,000
Stock 01-01-2015	5,000
Stock 31-12-2015	4,000
Total operating expenses	6,000
Total fixed Assets	8,000
Debtors	1,500
Creditors	3,000
Cash	900
Outstanding rent	1,000
Bank.	1,600

REQUIRED:

Calculator and interpreter:

- i.inventory turnover ratio **(05 marks)**
- ii.Credit payment period **(04 marks)**
- iii.Rate of return on employed capital **(04 marks)**
- iv.Stock turnover period **(04 marks)**
- v.Cash ratio **(04 marks)**
- vi.Profit mark up **(04 marks)**

10. (a) The table below shows the monthly PAYE tax rates in Uganda.

Monthly Income	Tax rate
1. Not exceeding Shs. 235,000	Nil (Zero)
2. Exceeding Shs. 235,000 but not Exceeding Shs. 335,000.	10% of the amount by which chargeable income exceeds Shs. 235,000.

© **Mount of Olives College Kakiri**

3. Exceeding Shs. 335,000 but not exceeding Shs. 410,000.	Shs. 10,000 + 20% of the amount by which chargeable income exceeds Shs. 335,000.
4. Exceeding Shs. 410,000	(a) Shs 25,000 + 30% of the amount by which chargeable income exceeds Shs. 410,000. (b) Where chargeable income exceeds Shs. 10,000,000, an additional 10% is charged on incomes exceeding Sh. 10,000,000.

Calculate the monthly PAYE payable by the following employees who earned the following incomes in the month of March 2016.

i. Magoba	shs	235,000
ii. Kagolo	shs	400,000
iii. Gerald	shs	600,000
iv. Frank	shs	11,000,000

(12 marks)

b) The following VAT exclusive transactions were carried out by a VAT registered business in Feb 2016 at different chains of distributions.

I. Beguma bought goods worth shs 9,000,000

II. Beguma sold all the goods to Molly for shs 11,000,000

III. Molly sold the same goods to Joel for shs 14,000,000

IV. Joel a retailer sold the goods to the final consumer for shs 19,000,000

Calculate the VAT chargeable at; each, stage using the current VAT irate of 18% (08 marks)

c) Advise entrepreneurs on the importance of paying taxes

(05 marks)

11. JAGRON Investments acquired a loan in august 2019from Equity bank of shs. 8 millions at 10% interest. The loan is to be repaid in in 8 equal installments using a reducing balance method starting with the month of october 2019.

(i) Design a loan repayment schedule for the business.

(b) The projections of JAGRON Investments on the selected business commencing October 2019 are as below.

© **Mount of Olives College Kakiri**

- (i) The monthly commission received is expected to be shs 5 millions but this is expected to increase by 3% and 6% in the second and fourth months respectively.
- (ii) Cash at hand on 1st October is shs 10 million.
- (iii) The monthly projected salaries for 40 workers is shs300,000 .
- (iv) The shareholders are expected to pay their annual subscription fees of shs. 2million in the second month.
- (v) the business expects to purchase fruits shs 1,000,000 every fortnight(vi) The business expects to sell goods every month worth shs. 20 million and receive only 80% in the month of sale and the remaining amount to be received after one month.
- (vii) Monthly rent from the business property is shs 6,000,000 from the tenant. The tenant, however, did not perform any activity on the property in November.
- (viii) The monthly cash purchases are shs 15 million. The monthly credit purchases are 10 percent of the cash purchases but are to be paid the following month, the cash discount received on them is shs100,000 for every payment.
- (x) The business expects donations in cash worth shs 3 millions per month but this is expected to reduce by 10% monthly after the second month.
- (xi) The business will finance any cash shortfall with a loan at the beginning of the next month.
- (xii) The business bought furniture shs 8,000,000 in November . This furniture is to depreciate by 10 percent each month
- (xiii) The Business issued a cheque of shs 200,000 to a creditor in November but was dishonoured by the bank, the business was consequently made to pay a fine of 10 percent of the cheque face value. It was paid in the following month.
- (xiv) A motorvan was sold at a half price of shs 4,000,000 in December. The sale of the motorvan was made a month after it was bought.

Required:

- (a) Prepared a cash flow plan for four months' period. 13mks
- (b) comment on the above cash flow results for the four months. 4mks

12. The following information for the year ended 31stAugust 2016 relates to FRESH JAJJA Enterprises:

<u>Item</u>	<u>Shs</u>
Fixed capital	120,000,000
Turnover	175,000,000
Cash	4,000,000
Bank	28,250,000
Net purchases	109,800,000

© **Mount of Olives College Kakiri**

Stock at start	4,000,000
Sales at cost	135,000,000
Circulating capital	40,000,000
Accounts payable	9,000,000
Closing stock	8,000,000
Borrowed capital	100,000,000
Total Current liabilities	16,000,000

Net profit for the year	35,000,000
Interest expenses	3,500,000
Accounts receivable	17,500,000

Required to:

a) Calculate and interpret;

- | | | |
|-------------------------------------|--|---------------------|
| i) Net profit percentage | ii) Gross profit mark-up | iii) Interest cover |
| iv) Stock turnover period | v) Cash ratio | vi) Current ratio |
| vii) Working capital turnover ratio | viii) Rate of return on capital employed | |
| ix) Leverage /Gearing ratio | x) Fixed assets turnover ratio | |
| xi) Debtors turnover ratio | xii) Creditors' turnover period | |

13. URA has organized a Tax Education Workshop and has invited you as an Expert in Taxation to speak to different employers and their employees

(a) (i) Explain to the audience any 3 non-taxable employment benefits.

(ii) Explain to the traders the consequences of tax evasion.

(b) Explain to the traders the difference between;

- (i) VAT Inclusive and VAT exclusive Transactions.
- (ii) Chargeable income and Threshold income
- (iii) VAT liability and VAT refund

(c) Calculate for them the annual rental tax payable by two landlords MARTIN AND ALEX who earn annual Rental incomes of shs 3,200,000 and shs 8,000,000 respectively.

d.AMINAMINAT LTD has her annual income from the retail shop as shs 2,500,000. She also earns shs 1,200,000 annually from the property she owns and her job earns shs6,000,000 annually . Ten percent Of the income from her shop is tax exempt while

© **Mount of Olives College Kakiri**

the annual expenses and losses amount to shs 400,000. The annual threshold income is shs. 2,820,000

Calculate her;

- (a) Gross income
 - (b) Chargeable income
 - (c) Taxable income
 - (d) The amount of income tax she would pay annually using the PAYE System.
- e. YOUNG MULO, an importer of electronics imported computers from Britain at CIF value of 2000 British pounds, attracting an import duty of 25%, excise duty 40%, VAT 18% and withholding tax of 6%.

Calculate:

- ii) Customs value.
- iii) Import duty
- iv) Excise duty .
- (iv) VAT tax payable

Total amount of tax payable by young mulo, (exchange rate is shs 45000 per British pound).