

**P230/1
ENTREPRENEURSHIP
EDUCATION
PROPOSED
MARKING GUIDE
Paper 1
Jul./Aug. 2012**

**Uganda Advanced Certificate of Education
ENTREPRENEURSHIP EDUCATION MOCK EXAMINATIONS
Paper 1**

**PROPOSED
MARKING GUIDE**

NB:

For comments, reviews, etc, please contact the author on Tel: +256753827935.

QUESTION 1 (a)

A candidate is required to prepare a job advert showing the following:

- Give a brief background information about the workshop.
i.e. Name and address, Physical location, Telephone contact(s), products offered for sale, and other related services, ownership, when it started, etc.
- Document identity, i.e. Employment opportunity/ Job Advert.
- Job Title: Sales Manager.
- Job reference Number.
- Job Overview/ Job summary.
- Job duties and responsibilities i.e.
 - (i) To monitor the sales officers/ assistants.
 - (ii) To prepare a supply schedule for the products.
 - (iii) To design/ formulate promotion activities aimed at increasing sales, etc.
- Duty station/ location of the job.
- Details of the officer(s) to whom the sales manager reports to. E.g. Marketing manager/ General manager.
- Qualifications. This should be in line with the job title, e.g. Bachelor in Business Administration.
- Terms of Employment/ Job duration e.g. 2 years on temporary basis / permanent/ to be appointed on a 3 year contract renewable upon satisfactory performance.
- Remuneration / Salary scale.
- Experience.
- Sex and Age.
- Mode of applying for the job, e.g. Hand written applications or online application.

- How the application should be addressed e.g.:
Suitably Qualified candidates should send their applications to:
Human Resource Manager
Kyakabi Furniture Workshop
P. O. Box 10,
Jinja.
- Closing date to receive applications, e.g. 5th August, 2012.
- Other competencies required, e.g. good communication skills, etc.

Any 14 items x $\frac{1}{2}$ = 07 marks.

QUESTION 1(b)

A candidate is required to design an interview program to be used in the selection process of the sales manager, showing the following:

Heading:- Name and address of the business

Interview program for the selection of a sales manager.

Date	Time	Activity	Person in charge	Remarks
		Holding a recruitment and selection planning meeting and discussing about planning for candidates job interviews.		
		Screening each candidate's application letter and resume or CV and select candidates for interviews / short listing candidates for interviews.		
		Selecting the interviewing style. E.g. oral/ written and designing questions for interviews.		
		Selecting an interview team and forming panels to conduct interviews.		
		Selecting venues and dates for interviews and allocating them panelists and interview candidates.		
		Send invitation letters to candidates to sit for interviews.		
		Conducting interviews and selecting the best candidate.		
		Communicating to the successful candidates to pick their appointment letter.		
Prepared by: Signature. Name. Position. Date.				

NB: (i) All columns should have content in them except the remarks column.

(ii) No tick and mark without correct column title.

14 ticks x $\frac{1}{2}$ = 07 marks.

QUESTION 1(c)

An appointment letter must have the following:

- Name and address of the business.
- Date.
- Reference Number.
- Name and address of the newly recruited sales manager.
- Salutation, i.e. Dear Sir/ Madam.
- Subject line, i.e. Letter of Appointment.
- The body. This should include:
 - (i) Job title.
 - (ii) Duty station.
 - (iii) Date of commencement of work/ assumption of duty.
 - (iv) Remuneration and fringe benefits.
 - (v) Minute number.
 - (vi) Days and hours of work per week.
 - (vii) Tenure of office.
 - (viii) Terms of employment, e.g. Leave, Termination of employment, etc.
- Complimentary close i.e.
 - Your faithfully/ sincerely.
 - Signature.
 - Name.
 - Title.
- Carbon Copy i.e. c.c.
- Enclosure, i.e. Encl./ Attachment.
- Statement concerning acceptance of the appointment.

10 items x $\frac{1}{2}$ = 05 marks.

QUESTION 1(d)

The guidelines to be followed when selling products on credit should contain the following:-

- Heading. This must reflect the name and address of the business and the statement, “Guidelines to be followed when selling products on credit.”
- Cash discounts shall be allowed to customers who pay promptly (the candidate should specify the percentage/ amount of cash discount and the period).
- The maximum credit period shall be __ months or days.
- Credit sales shall be granted to well known and credit worthy customers.
- Credit sales exceeding Shs. ___ shall be granted to customers who suffer collateral security.
- Credit sales shall be authorized by ___. E.g. sales manager.
- The size/ amount of credit sales shall be Shs. ___ to any customer.
- Down payment of ___% shall be required.
- A penalty shall be charged in case of delayed payment.
- Credit sales shall attract a higher price than cash sales.
- Disputes shall be settled by ___. E.g. Arbitration/ mutual consent (agreement/ courts of law).
- All credit sales shall be properly documented.
- An agreement shall be signed between the business and the credit customer.

10 items x ½ = 05 marks.

NB: -The language is strictly by use of the verb shall or present simple tense. i.e. is/ are.

-No personalizing: e.g. I shall, he, she, we, no use of must, should, can, may, will, etc.

QUESTION 2(a)
ISABIRYE ENTERPRISES LTD'S
INCOME STATEMENT
FOR THE YEAR ENDED 31 . 12 . 2007

	Shs.	Shs.	Shs.
Sales		1,300,000✓	
Less returns inwards		100,000✓	
Net sales			1,200,000✓
LESS COST OF SALES			
Opening stock		120,000✓	
Add purchases	720,000✓		
Less returns outwards	15,000✓		
Net purchases		705,000✓	
Goods available for sale		825,000✓	
Less closing stock		75,000✓	
Cost of sales			750,000✓
Gross profit			450,000✓
Add other incomes:			
Interest received			2,600✓
Gross income			452,600✓
LESS OPERATING EXPENSES			
Carriage on sales		30,000✓	
Discount allowed		8,000✓	
Rent and Rates	49,600✓		
Add accrued rent	9,000✓		
	58,600✓		
Less prepaid rates	6,000✓	52,600✓	
Salaries	156,000✓		
Add accrued salaries	10,000✓	166,000✓	
Depreciation on motor van		117,000✓	
Total expenses			373,600✓
Net profit			79,000✓

26 ticks x ½ = 13 marks.

- NB:** (i) A candidate who has used the horizontal format should be marked.
(ii) If no units are indicated, penalize by 50%.
(iii) If the title of the statement is lacking no mark (s).

QUESTION 2(b)
ISABIRYE ENTERPRISES LTD'S
BALANCE SHEET ✓
AS AT 31 . 12 . 2007

	Shs.	Shs.	Shs.
FIXED ASSETS			
Motor van	1,170,000 ✓		
Less Depreciation	117,000 ✓	1,053,000 ✓	
Furniture and Fittings		62,000 ✓	
Land		130,000 ✓	1,245,000 ✓
CURRENT ASSETS			
Sundry debtors	18,000 ✓		
Cash in hand	30,000 ✓		
Prepaid rates	6,000 ✓		
Stock	75,000 ✓	129,000 ✓	
LESS CURRENT LIABILITIES			
Bank overdraft	120,000 ✓		
Sundry creditors	35,000 ✓		
Accrued rent	9,000 ✓		
Accrued salaries	10,000 ✓	174,000 ✓	
WORKING CAPITAL			(45,000) ✓
CAPITAL EMPLOYED			1,200,000 ✓
FINANCED BY:-			
Capital		1,231,000 ✓	
Add: Net profit		79,000 ✓	1,310,000 ✓
Less: Drawings			110,000 ✓
CAPITAL EMPLOYED			1,200,000 ✓

24 ticks x ¼ = 6 marks.

NB: A candidate who has used the horizontal format should be marked.

QUESTION 2(c)

$$\begin{aligned} \text{(i) Rate of stock turn} &= \frac{\text{Cost of sales}}{\text{Average stock}} \quad \checkmark 01 \\ \text{But Average stock} &= \frac{\text{Opening stock} + \text{Closing stock}}{2} \\ &= \frac{120,000 + 75,000}{2} \quad \checkmark \frac{1}{2} \\ &= \text{Shs. 97,500.} \end{aligned}$$

$$\begin{aligned} \therefore \text{Rate stock turn} &= \frac{750,000}{97,500} \quad \checkmark \frac{1}{2} \\ &= 7.69 \text{ times} \mid 8 \text{ times.} \end{aligned}$$

Interpretation: This implies that the average stock of Shs. 97,500 was replaced approximately 8 times in a year. $\checkmark 01$

$$\begin{aligned} \text{(ii) Rate of return on capital employed} &= \frac{\text{Net profit} \times 100}{\text{Capital Employed}} \quad \checkmark 01 \\ &= \frac{79,000 \times 100}{1,200,000} \\ &= 6.58\% \mid 7\% \quad \checkmark 01 \end{aligned}$$

Interpretation: This implies that Shs. 100 of Capital Employed generates a net profit of Shs. 7. $\checkmark 01$

QUESTION 3(a)

A candidate is required to prepare a credit status inquiry showing the following:-

- Name and address of the business (reflecting its nature. i.e sale and servicing of computers.
- Other contacts, e.g. physical location, email and telephone.
- Products dealt in, e.g. dealers in all computer accessories, networking and servicing.
- Recipient / Receiver of the letter of inquiry, e.g.

The Manager,

Stanbic Bank – Jinja Branch

P.O. Box 30, Jinja .

- Salutation, i.e. Dear Sir/ Madam, .
- Subject, i.e. Credit status inquiry.
- Body, showing/ revealing:-
 - (i) Name and address of the business seeking credit facility.
 - (ii) Amount/ size of credit facility intended.
 - (iii) Statement indicating that the recipients were suggested to act as referee.
 - (iv) An assurance that the report will be treated with strict confidence and shall not be revealed.

- Complementary close, i.e. Yours faithfully/ sincerely,

Signature

Name

Title (Sales Manager)

NB: Marks Allocation:

Body: Any 4 x ½	= 02 marks.
Other: Any 8 x ½	= <u>04 marks.</u>
Total	= 06 marks

QUESTION 3(b)

A candidate is required to design a quotation showing the following:

- Name and address of the business as used in (a) above.
- Physical location and contacts like telephone numbers.
- Goods dealt in e.g. Dealers in all computer accessories, networking and servicing.
- Document identity/ Name i.e. Quotation.
- Document number.
- Date.
- Name and address of the customer/buyer.
- Inquiry note number and its date.
- Salutation i.e. Dear Sir/Madam.
- Details about goods i.e.

Nº	Description/ Particulars	Quantity	Rate (Shs.)	Amount (Shs.)
	Total			

- Delivery terms.
- Terms and conditions of sale.
- Terms of payment.
- Quoted by _ _ _ _ _ Sign _ _ _ _
- Frame
- Etc.

Any 14 ticks x $\frac{1}{2}$ = 07 marks.

NB: The quotation must have all the content filled in to qualify for a tick.

QUESTION 3(c)

The sign post must contain the following features:

- Name and address of the business as used in part (a) above.
- Telephone numbers, email and any other contact.
- Products/ services offered.
- Location of the business.
- Additional services if any.
- Business logo if any.
- Relevant illustrations/ pictures.
- Arrow point for direction.

NB: The sign post must be framed.

Any 5 ticks x 1 = 05 marks.

QUESTION 3(d)

A credit note should show/ have the following:-

- Name and address of the business.
- Physical location and telephone contacts.
- Document name i.e. credit note.
- Document number.
- Date.
- Name and address of the customer complaining of having been overcharged.
- Statement. i.e. we have credited your account as follows:
 - Correct total.
 - Amount to be credited.
 - Signature.
 - Name.
 - Title.
- Frame.

Any 5 ticks x 1 = 05 marks.

Sample of credit note

QUESTION 4(a)
Kyakabi Enterprises Ltd's
Sales Journal ✓01
For the month of January, 2012

Date 2012	Name of customer/ Debtor	Invoice Details (Shs.)	Invoice Total (Shs.)
Jan. 1	Kakaire:-		
	140 trousers. Shs.20,000@	2,800,000✓	
	105 pairs of shoes. Shs.2000@	210,000✓	3,010,000✓
8	Mukova:-		
	300 boxes of soap. Shs.20,000@	6,000,000✓	
	500 tins of cooking oil. Shs.7,000@	3,500,000✓	
	2000 packets of salt. Shs.500@	1,000,000✓	10,500,000✓
15	Matama:-		
	1000 Shirts. Shs.15,000@	15,000,000✓	
	1200 Towels. Shs.6,000@	7,200,000✓	
	500 bells Shs. 30,000@	15,000,000✓	37,200,000✓
20	Kintu		
	160 Dozens of books. Shs.5000@	800,000✓	
	500 reams of paper. Shs.10,000@	5,000,000✓	
	300 boxes of pens. Shs.2,000@	600,000✓	6,400,000✓
31	Total Credit Sales		57,110,000✓

1 mark for title = 01

16 ticks x ½ = 08

09 marks

- NB:
- (i) If no title for the subsidiary book, a candidate scores zero.
 - (ii) No dates indicated, no mark.
 - (iii) No units indicated, a 50% penalty.

QUESTION 4(b)

Ledger A/Cs

DR			Kakaire's A/C			CR		
2012		Shs.	2012		Shs.			
Jan. 1	Sales/ Credit sales	3,060,000	Jan. 31	Bal $\frac{c}{d}$	3,060,000			
Feb. 1	Bal. $\frac{b}{d}$	3,060,000						

DR			Mukova's A/C			CR		
2012		Shs.	2012		Shs.			
Jan. 8	Sales	10,500,000	Jan. 24	Returns	225,000			
				Bal $\frac{c}{d}$	10,255,000			
		10,500,000	31		10,500,000			
Feb. 1	Bal. $\frac{b}{d}$	10,255,000						

DR			Matama's A/C			CR		
2012		Shs.	2012		Shs.			
Jan. 15	Sales	37,200,000	Jan. 25	Returns	600,000			
				Bal $\frac{c}{d}$	36,600,000			
		37,200,000	31		37,200,000			
Feb. 1	Bal. $\frac{b}{d}$	36,600,000						

DR			Kintu's A/C			CR		
2012		Shs.	2012		Shs.			
Jan. 20	Sales	6,400,000	Jan. 31	Bal $\frac{c}{d}$	6,400,000			
Feb. 1	Bal. $\frac{b}{d}$	6,400,000						

DR			Sales A/C			CR		
2012		Shs.	2012		Shs.			
Jan. 31	Bal $\frac{c}{d}$	57,160,000	Jan. 31	Credit sales	57,160,000			✓
			Feb. 1	Bal. $\frac{b}{d}$	57,160,000			

DR			Returns Inwards A/C			CR		
2012		Shs.	2012		Shs.			
Jan. 31	Sales	825,000	Jan. 31	Bal $\frac{c}{d}$	825,000			
Feb. 1	Bal. $\frac{b}{d}$	825,000						

12 ticks x 1 = 12 marks.

NB: (i) If no dates are indicated, zero mark.

(ii) No units indicated, a 50% penalty.

Kyakabi Enterprises Ltd's

Trial Balance

As ta 31 . 1 . 2012

Particulars	DR (Shs.)	CR (Shs.)
Kakaire	3,060,000 ✓	
Mukova	10,225,000 ✓	
Matama	36,600,000 ✓	
Kintu	6,400,000 ✓	
Sales		57,110,000 ✓
Returns Inwards	825,000 ✓	
Totals	57,110,000 ✓	57,110,000 ✓

8 ticks x $\frac{1}{2}$ = 07 marks.

QUESTION 5(a)

A candidate is required to prepare a loan repayment schedule showing the following:

Heading: Name and address of business.
 Loan repayment schedule.
 Loan amount: Shs. 120,000,000.
 Loan interest: 2% per month.
 Loan period: 6 months.

Month	Principal Repayment	Interest	Total Payment	Balance
1	20,000,000	2,400,000	22,400,000	100,000,000
2	20,000,000	2,000,000	22,000,000	80,000,000
3	20,000,000	1,600,000	21,600,000	60,000,000
4	20,000,000	1,200,000	21,200,000	40,000,000
5	20,000,000	800,000	20,800,000	20,000,000
6	20,000,000	400,000	20,400,000	NIL
Totals	120,000,000	8,400,000	128,400,000	---

24 ticks x $\frac{1}{4}$ = 06 marks.

(b) A candidate is to formulate employees' code of conduct showing the following:-

- Title – Name and address of business.
 Employees' code of conduct.
- Every employee shall conduct him/herself in a manner that does not tarnish the name of the business.
- All workers are expected to arrive for work by ... eg 8:00am and leave at ... 5:00pm Monday to Friday and Saturday from 8:00am to 1:00pm.
- All employees shall wear company uniforms and protective gear provided to them while at work.
- Any employee who willfully or negligently damages or leads to spoilage of business machinery/assets shall be guilty of an offence.
- No employee shall be allowed to smoke in the business premises.

- Employees with medical problems shall report to relevant authorities so as to be granted medical leave.
- Use of illicit drugs at the workplace is strictly prohibited.
- No employee shall report for duty while drunk.
- Hooliganism, thuggery or theft of any kind shall not be tolerated at the work place.
- Employees shall only use business assets/machinery for official work allocated to them.
- No sexual relationship shall be allowed to be practiced among workers.

Marks allocation: Title – 01 mark
Any 7×1 = 07 marks
08 marks

- NB:** (i) There should be evidence of preparation.
(ii) Language is strictly by use of the verb shall or present simple tense i.e. is/are.
(iii) No use of might, will, should, must, I, we etc.

(c) A brochure to be used to promote the products show the following:

- Name and address of the business.
- Telephone and other contacts.
- Location.
- Business logo.
- Background information.
- Vision statement.
- Mission statement.
- Products offered.
- Illustrations/pictures/diagrams.
- Appealing words/uniqueness of the products.
- Current product prices.
- Promotion offers in place.
- Frame.

Any 6×1 =06 marks

(d) A candidate is required to design performance appraisal form showing the following:

- Name and address of the business.
- Document identity i.e. performance appraisal form.
- Name of employee/appraisee.
- Job title /rank of appraisee, salary scale, terms of employment.
- Name of appraiser/supervisor.
- Job title/rank of appraiser, salary scale.
- Assessment of the level of achievement revealing agreed key outputs, indicators of performance, performance levels, comments on performance etc.
- Action plan to improve performance.
- Comments recommendations (if any) and signatures.

Any $10 \times \frac{1}{2}$ = 05 marks

For sample, PTO.

Sample

Name and Address of Business Tel no.....										
PERFORMANCE APPRAISAL FORM										
Name of Employee/Appraisee.....										
Job Title.....										
Department.....										
Supervisor/Name of Appraiser.....										
Period of Appraisal From.....to.....										
Date.....										
Evaluation Factors	Comments					By Appraisee	By Appraiser			
	Excellent	V. Good	Good	Fair	Poor					
Team player										
Communication										
Quality of work										
Punctuality										
Organisational skills										
Professional ethics										
Recommendations.....										
COMPETENCE	Performance level attained (Tick)						COMMENTS			
	5	4	3	2	1	N/A				
Customer care										
Loyalty										
Communication										
Financial mgt										
Integrity										
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center; padding: 5px;">Performance gap</td> <td style="width: 33%; text-align: center; padding: 5px;">Agreed action</td> <td style="width: 33%; text-align: center; padding: 5px;">Time frame</td> </tr> </table>								Performance gap	Agreed action	Time frame
Performance gap	Agreed action	Time frame								
Comments, Recommendations And Signatures Comments Of The Appraisee..... Signature.....Date..... Comments Of The Appraiser..... Signature.....Date.....										

END.