

## COMPETENCE BASED QUESTIONS

### ENTREPRENEURSHIP

#### **EOC 1: Appreciates business startup Item 1**

**Matua** is planning to engage in a large scale fish processing business in Mayuge district where he owns a large piece of land that consists of a swamp of about 5 acres at the extreme end. He is planning to target both domestic and foreign markets but he lacks knowledge of the requirements for engaging in export trade and he is still doubting whether there is need to engage in this kind of trade, additionally he doesn't know what it takes to make his business legally known.

**Task:** As a student of Entrepreneurship education, guide Matua on; (a)

The requirements for exportation of Matua's goods.

(b) Advise him on the reasons why he should engage in export trade.

(c) The procedure of making his business legally known.

#### **Item 2**

**Zuma** has raised savings amounting to UGX 900,000 and on top of that he has sold his acre of land at UGX 3,100,000. He is intending to establish either a public address system business or a snacks and drinks shop in his nearby trading centre.

**Task:** As a student of Entrepreneurship education, help the entrepreneur to;

(a) Know the most suitable business to operate.

(b) Prepare a statement that will guide his cash expenditure when implementing the selected business

(c) Select a good location for the selected business

#### **Item 3**

**Stone, Rock and Rich** have contributed UGX 6,000,000 each to establish a primary school in their home area. But this trio has fear that they may encounter disputes later on as the business grows. They also have limited knowledge of marketing which has made them worried of not getting enough customers.

**Task:** As a learner of Entrepreneurship education;

- (a) Advise the trio on the document to prepare to avoid conflicts in their business.
- (b) Prepare a plan that they will use to market their business.

**Item 4**

10 poultry keepers in your home area have come together to cooperate so as to increase their productivity, improve the quality of their output and look for market as a group. These farmers have no knowledge of the operation of such group business. They intend to first gather customers' opinions to know where to start from.

**Task:** Using your Entrepreneurship skills, guide these people on; (a) the steps involved in forming this group.

- (b) the principles to observe when operating their business
- (c) the items to include in the document to use to collect the customers' opinions.

**Item 5**

Champ GUDO has secured a loan of UGX 5,000,000 and plans to start a mobile money business in a busy Centre. He doesn't know the right procedures to follow before the business commences. This has made him develop fear to take the business decision since he has never tried to get customer opinions in relation to the new business he plans to start.

**TASK**

- a) Use your entrepreneurship skills to help Champ GUDO to solve the challenge in the scenario.
- b). Guide him on how to formalize the business.
- c). How will Champ GUDO determine where to locate his mobile money business.
- d). Help Champ GUDO to make a Budget for the business.

**Item 6:**

Joel, John and James want to start a poultry farm to own jointly. Each of them has to contribute Shs. 200,000 which seems not to be enough, and may require to raise more finances. However, they are afraid of getting conflicts among themselves over different business matters.

They also need guidance on developing a document that will help them to analyze the position and opportunities of their business in the present market situation.

**TASK**

As a student of entrepreneurship Education, guide Joel, John and James to solve the challenge in the scenario.

**Item 7:**

Mr. Omara, is a retired servant and has received his retirement package and is eager to start a business.

However, He is unsure about what venture to pursue. He has a passion for agriculture and wants to utilize his skills to create a sustainable income stream. He is also determined to change the selected registered business in case it fails to do well in future. However, he has no information about how he can plan for the production requirements and needs.

### **Task**

- a)** Guide Omara on;-
  - i) Selecting viable type of business.
  - ii) Benefits associated with any of the viable business selected.
- b)** How to de - register the business?
- c)** Assist Omara to plan for the projected needs for producing his proposed goods.

### **Item 8**

In Namutamba village a group of 10 women pooled their resources to start a joint venture. They collectively produce and sell their produce. They have invited other members to join them but due to limited sensitization and fear of poor management and limited knowledge about how ventures operates among others, they have failed. They only sell their products to the local community leading to wastage of Surplus that cannot be consumed.

### **Task**

- a) Help the women to address their concerns.
- b) Guide on making choice of any other an attractive investment idea.

### **Item 9**

Sheeba is planning to open up a supermarket in Masaka city. She has been advised that for it to operate effectively, all legal formalities have to be strictly followed and she is scared of such a requirement due to limited sensitization.

She also needs guidance on the plan that will help her to remain focused during business operation.

### **Task**

- a) Use your entrepreneurship skills to solve the challenge Sheeba is facing in the scenario.
- b) Guide Sheeba on the plan to remain focused in the business.

## **EOC 2 : Manage business**

### **Item 1**

**Zaid** uses an old cereal milling machine to process cereals such as maize grains, millet, sorghum and soya peas. He also purchases poor quality cereals from the farmers, though at

low prices. Because of Using an old machine, customers have started abandoning Zaid's products complaining that they contain machine particles which is dangerous to their health. This has reduced his sales greatly and finally his profit margin has gone down.

He is planning to buy a new machine in order to improve the quality of his products and regain his market.

**Task:** Using your entrepreneurship skills;

- (a) Identify the qualities demonstrated by Zaid as an entrepreneur
- (b) Advise Zaid on the ways of improving the quality of his products
- (c) Guide Zaid on other ways of increasing sales and profits, other than improving quality.
- (d) Advise Zaid on the major considerations to follow when buying a milling machine.

## **Item 2**

Tom and his wife have both been teachers for the last ten years and at the same time they have been engaging in poultry keeping to supplement their family income. But because of limited supervision and monitoring of the poultry project, they have been making big losses due to high mortality of their birds.

They decided to abandon teaching and concentrated on the poultry project, used their savings and increased their stock of chicks from 500 - 1500, put up modern poultry houses and they are not regretting leaving their profession.

However, they have a challenge of buying poor quality inputs and they have not yet developed a good message that can persuade customers to the business.

**Task:** Using your Entrepreneurship skills;

- (a) What benefits does the couple enjoy as a result of concentrating on the poultry project?
- (b) Help them on the ways of ensuring purchase of good quality inputs.
- (c) Design an advertising message for them to adopt for their business

## **Item 3**

**BONITA** owns a restaurant in Soroti city. She makes a variety of snacks and dishes. The entrepreneur normally buys low – quality ingredients to minimize production costs which has affected the quality of the dishes. The workers conflict on their duties which causes delays

in food production and poor quality dishes. The entrepreneur lacks marketing skills which has made her use poor marketing techniques. She is still failing to reach her target customers properly.

**Task: Use your Entrepreneurship skills to;**

- (a) advise the entrepreneur on how to solve the challenges in her business.
- (b) advise the entrepreneur on how to make her products reach her customers.

#### **Item 4**

**Joseph** owns a stall in Entebbe central market dealing in a variety of agricultural produce such as matooke, potatoes, cassava, Tomatoes etc.

Many times he stocks poor quality produce such as rotten potatoes and tomatoes, sour cassava and poor quality bananas from farmers which makes his customers complain.

More so the entrepreneur is less innovative in his business. These challenges have made him fail to capture a big market in the area.

**Task:** As a student of Entrepreneurship education, guide Joseph on;

- (a) The factors to consider when selecting farmers to supply produce to his business.
- (b) The forms of innovation he can use in his business.

#### **Item 5**

Joseph is the owner of Sunshine Beverage in Jinja. The company produces a variety of juices and other related soft drinks. He employs six workers but they always conflict over duties and tasks to undertake.

He owns an old machine which he uses to extract juice but he wants to buy a new one though he lacks clear guidance on which machine to buy.

Customers frequently complain that juice does not reach most of them especially those from far distant places.

**Tasks.**

- a) Solve the challenge faced by Joseph's company.
- b) Advise Joseph on the modifications and improvements he should undertake in his Beverage processing company.

#### **Item 6**

Meet Alicia, a dairy farmer who has decided to diversify her business by starting a milk processing plant. She has also started producing high quality cheese, butter and ghee using milk as a raw material. Alicia's farm currently produces 500 litres of milk per week and she

plans to use milk as the raw material. She owns an old vehicle which she plans to replace and buy a new one.

She uses only a sign post near her farm which has not given enough information to her customers about existence of the farm.

**Task**

- a) How has Alicia benefited from starting milk processing plant and other related milk products mentioned in the scenario?
- b) How can Alicia solve the challenges in the scenario

**Item 7:**

Tonny owns a restaurant in Buddo trading centre.

He has bought a van to deliver food to customers who make orders online.

The business customer desk has received request for Tonny to open up a branch and sometimes food is served when it is cold, poor quality and highly priced, customers are poorly handled etc. Tonny has promised to handle the issue.

**Task**

- a) Design: (i) Business card for Tonny.  
(ii) Signpost for directing customers to Tonny's new branch.
- b) How can Tonny solve the challenges in the scenario?

**Item 8.**

Hozambe operates a welding business. Which produces metallic doors, windows and beds his customers complain about limited product range, poor designs and does not allow customers to place orders of the designs they want. He only sells his products to local people around his business and has inefficient delivery means. He uses outdated marketing techniques, poorly engages his customers and has no social media platform for his business

**TASK**

Guide Hozambe on how to solve challenges in his business.

**Item 9**

Grace owns a restaurant in Mukono municipality with three employees. The restaurant has been using low quality ingredients to cut costs, compromising the taste and quality of its dishes. The 3 chefs conflict over work causing delays in food preparation and they prepare constantly similar menu items of poor quality. Grace is passionate about catering business but lacks marketing skills. Her business' social media platform has few followers and infrequent posts.

## **TASK**

- a) Advise Grace on how to solve the challenges in her restaurant.
- b) Identify the qualities possessed by Grace in management of the restaurant.

### **EOC 3: Appreciates business support**

#### **Item 1**

A group of market vendors in Matugga Mabanda produce market have come together form a cooperative society to help them save and borrow money to expand their businesses. In order to achieve this objective, the society leaders have lobbied the government for financial support. Because of limited know about the benefits of cooperative societies, the turn up of the members is still low. They are planning to fulfill their tax obligations timely and to insure their society against the risks that it may encounter.

**Task:** using your Entrepreneurship skills;

- (a) Mention the sources that the government can use to raise funds to support the cooperative society. b( i) How will the tax obligations be fulfilled by the society?
- (ii) What benefits will the society enjoy for fulfilling the tax obligations timely?
- (c) Guide the members to know the risks that the society is likely to face that they need to insure against.

#### **Item 2**

Otunu is operating a fish farming and processing business owning a number of assets such as land, buildings, machinery and equipment, vehicles and furniture. His vehicles are all insured against all possible risks.

Many times his machines break down and affect the production process. Two months ago one of his buildings caught fire and alot of property was destroyed. Thieves normally ambush the delivery vehicles and rob the distributors alot of money.

Last month one of his vehicles was involved in an accident and it was destroyed beyond repair.

**Task:** using your knowledge of insurance, advise Otunu on;

- (a) Other insurance policies to buy to cover his business against risks in his business.
- (b) The procedure for claiming for compensation of the vehicle that was destroyed.

#### **Item 3**

Meet Tracy the owner of chain link restaurant with three branches in Mbarara town district. Despite its good locations and extensive menu, the restaurant has tried to capture a market share but in vain.

The restaurant faces several risks such high competition, theft of cash by employees, expiry of food etc.

The restaurant also exploits staff by demanding long working hours, has unhygienic practices, make false claims about menu items, has unpaid taxes, files inaccurate Returns and tax records among others.

This has resulted into low customer loyalty and big financial struggle.

### **Task**

- a) Identify Tracy's tax compliance issues.
- b) Help Tracy to solve the;
  - i. Un ethical behaviours in her restaurant.
  - ii. Risks in business.

### **Item 4**

Tendo, a young entrepreneur has passion for fashion and design. She started her own clothing line "Tendo Designs" with a small loan from her parents to achieve a big dream. Through hard work, determination and keen sense of style, Tendo's designs quickly took off within a year. Tendo's success appear in the top magazine.

Her story is a testimony on achieving her goals and realizing her worth intentions, making a difference everlasting legacy. Besides, she has no TIN, accurate data, no tax files to URA. she sometimes faces different risks such as workers stealing clothes, declined profits, machinery break down She also faces a challenge of integrating E-technology in her business and needs guidance on better insurance policy she can undertake to manage risks facing her business.

### **Task**

- a) What shows that Tendo's business is achieving its goals and realizing its intentions?
- b) Assist Tendo to solve the challenges her business is facing.

### **Item 5**

Onesmus operate a poultry business in his village with few customers. He sells eggs to relatives who fail to pay and doesn't record the number of eggs sold to customers.

Local authorities warned him on different occasions for not being tax compliant and cautioned him to fulfill his tax obligations.

He wants to open up a bank account where he can save his daily revenue collection but he has no knowledge about the right procedure to follow.

### **Task**

- a) Using your knowledge of taxation inform Onesmus his obligation to tax authority.

b) Use your entrepreneurship skills guide Onesmus to solve the challenges.

**Item 6**

Magezi is a Salon operator in Soroti alongside the market lane. He has been in the business for three years and this has attracted customers within and out skirts of the city.

He employees' five employees at the salon. However customers frequently complain that some these employees poorly handle them and they violate their rights through charging high prices, barking at them, poor hair fashions etc. On several occasions the government has devised means of safe guarding them but it's in vain.

Besides that Magezi opens up the salon very early and closes late and this has put him in the position of not getting time to physically go to bank to bank his daily collections.

**Task**

- a) Use your entrepreneurship skills to solve the challenge.
- b) Inform Magezi the possible financial institutions that can handle his finance.

**Item 7**

Kasoma a business tycoon in Mukono town owns a cosmetic business in the name of KASOMA COSMETICS LTD.

He is confused about tax compliance issues and computations. The tycoon registered net profit, revenue of shs. 82,000,000. The business produces a variety of products such as jellies, perfumes and perfume soap.

It employs 4 workers two who are casual workers and others are highly skilled. In the year 2022, the skilled workers were paid a basic salary of shs. 11,000,000 per worker each month with medical allowances of 10% while casual workers earned shs. 200,000 per worker each employ.

In addition to providing employment opportunities the business pays taxes to government which money is used by government to provide social services in the region.

Given the corporation tax rate of 30% and the monthly PAYE rates as below;-

CATEGORY	MONTHLY INCOME	MONTHLY RATE
1.	Not exceeding shs 235,000	Nil/zero
	Exceeding shs. 410,000	a) Shs. 25,000 plus 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 amount by which chargeable income exceeds shs 10,000,000

**Task**

Help Kasoma to compute;-

- i. PAYE paid by different workers at given their level of skills per month.
- ii. The corporation tax paid by Kasoma cosmetics Ltd in the year 2022.
- iii. Apart from taxes, how else does the government be in position to manage and meet its financial obligations?

**Item 8:**

Kapere is the owner “Quality Juice Packers” a leading manufacturer of juice. Recently he won an award of being a good tax compliant from URA.

The following information has been traced from one of his recordings for last month.

Manufactured a carton of juice at shs. 50,000 factory price.

A wholesaler bought it and sold it to a retailer at shs. 55,000. A retailer sold it to a final customer at shs. 62,000 shillings.

All these transaction were VAT exclusive.

The VAT rate is 18%.

Kapere also owns a big room near his factory which he hires and collects shs. 18,000,000 annually as his rental gross income.

NB: Rental tax rate is 12%.

Tax Free allowance 2820,000.

**Task**

- a) Assist Kapere to compute
  - i. VAT liability paid to U.R.A at each stage.
  - ii. Rental tax liability.
  - iii. Net rental income
- b) What practices Kapere would use to win the award of “best tax compliant entrepreneur.”

**Item 9**

Mukisa operates a restaurant in one of the city suburbs. However, the business has failed to raise the expected revenue due to poor business location. Recently, she was denied a bank loan because her business is not registered. She has no knowledge about the requirements to fulfill this condition and does not even know the needs to take such a practice.

Task

- a) As a student of Entrepreneurship, assist Mukisa to solve the challenge in the scenario

- b) Guide her on the plan which her restaurant can use to analyze the possible position and opportunities to penetrate the present market

**Item 10**

(a) Muganga owns a business enterprise which employs the following people

Kayima George.	UGX 320,000
Kasule Micheal.	UGX 540,000
Mutyaba Adam.	UGX 1,200,000
Musisi Dan.	UGX 100,000

These employees are also given medical allowance UGX 100,000, housing allowance UGX 150,000 and transport allowance UGX 50,000.

Given the table below calculate each employee's income tax payable.

Monthly income (shs)	Tax liability
0-235,000	Nil
235,000-335,000	10% of the amount by which chargeable income exceeds shs 235,000
335,000 410,000	Shs 10,000 plus 20% of the amount by which chargeable income exceeds shs 335,000
410,000 and above	Shs 25,000 plus 30% of the amount by which chargeable income exceeds shs 410,000 Where chargeable income exceeds shs 10,000,000 per month, an additional 10% is charged on the amount by which chargeable income exceeds shs 10,000,000 per month.

(b) Muganga also owns rental houses in Mukono and Kampala where he earns UGX 40,000,000 and UGX 160,000,000 respectively. Given that the rental income tax threshold is UGX 2,820,000 and the rental tax rate of 12%. Calculate the rental tax payable by Muganga to the tax authorities.

(c) **The transactions below were carried out by VAT registered businesses;** (i) Muganga purchased goods worth UGX 2,000,000. (ii) Muganga sold the same goods to Peter at UGX 3,600,000 (iii) Peter sold the same goods to Jackie at UGX 4,800,000.

(iv ) Jackie sold them to the final consumer at UGX 5,350,000.

**Task:** Using your knowledge of taxation, determine VAT on the value added at each stage of distribution using VAT rate of 18%.

### **Item 11**

Musana operates a retail shop in Matugga town. He stocks goods from the suppliers in Kampala though there are some items he produces himself like beans, maize, millet and cow peas. He uses traditional methods to operate his business such as moving to suppliers to get stock, moving to tax offices to pay taxes, customers can't access his business online because he has not yet adopted modern technology in his business.

Musana doesn't have a bank account so he keeps his money in the business and at his home thereby risking his life. He was told that the procedure for opening a bank account is hectic. He tries to avoid exploiting his customers, this has attracted him many customers in the area.

**Task:** using your Entrepreneurship skills, guide Musana on;

- (a) how he can use modern technology to operate his business better.
- (b) the requirements and procedure for opening an account in a commercial bank to increase safety of his money.
- (c) in which ways does Musana avoid exploiting his customers?

## **EOC 4: Applying book keeping skills**

### **Item 1**

The following transactions were extracted from the books of BULEGA ENTERPRISES for the month of December 2022. Unfortunately Bulega doesn't know how to prepare books of accounts.

1st December 2022. Cash in hand UGX 98,000,000

Cash at bank UGX 31,000,000

3rd Dec. bought furniture for business use by cash UGX 14,000,000

4th Dec. bought goods by cheque UGX 8,000,000

5th Dec received UGX 230,000 from James and banked it

6th Dec. withdrew money from the bank for business use UGX 40,000,000

8th Dec. paid for insurance by cash UGX 2,000,000

10th Dec. sold goods on credit to Cain UGX 7,000,000

14th Dec. bought goods on credit from Jossy UGX 6,500,000



### Item 3

1. The following transactions were carried out by Matugga shoppers during the month of July 2024 and recorded by the business attendant who doesn't know how to prepare books of accounts.
2. July bought goods on credit from Opira UGX 10,000,000
3. Sold goods on credit to wamala UGX 6,000,000
4. Bought goods on credit from Onzima UGX 12,300,000
5. Returned some goods to Opira UGX 1,000,000
6. Credit sales to Kiyonga UGX 1,400,000
7. Wamala returned goods worth UGX 500,000
8. Bought goods on credit from Egesa UGX 20,000,000
9. Credit purchases from Kumagum UGX 5,000,000
10. Sold goods on credit to Tinka UGX 17,000,000
11. Returned some goods to Egesa UGX 1,400,000
12. Credit sales to Ochom UGX 17,000,000
13. Tinka returned goods worth UGX 2,000,000
14. Credit purchases from Onzima UGX 1,000,000
15. Credit sales to Akwero UGX 1,200,000
16. Returned goods to Onzima UGX 300,000

**Task: Using your Entrepreneurship skills,** help the business owner to prepare books of original entry to record;

- a) (i) Credit purchases refer to the book  
(ii) Credit sales  
(iii) Purchases returns (iv) Sales returns  
(b) Post the entries to the three principal books.

### Item 4

Promise Enterprise had the following information during the financial year ended 31st Dec 2024. This information was written down by the entrepreneur who has limited knowledge about book keeping.

<b>Item</b>	<b>Amount ( UGX)</b>
Rent and rates.	1,050,000
Purchases.	46,500,000
Audit fees.	750,000
Capital	80,500,000
Stock on 1st Jan 2024	15,000,000

Sales.	85,000,000
Telephone Charges.	300,000
Bank Overdraft.	1,650,000
Purchases returns.	1,500,000
Sales returns.	750,000
Cash in hand	150,000
Machinery	35,000,000
Salaries.	3,750,000
Wages.	5,700,000
Discount received.	750,000
Creditors.	4,650,000
Debtors	8,100,000
Carriage outwards	300,000
Bad debts	450,000
Commission received.	150,000
Furniture	16,800,000
Bank loan	15,000,000
Premises	45,000,000
Goodwill	9,600,000
Stock at 31st Dec 2024 was valued at	20,250,000

**Task:** Use your Entrepreneurship skills to;

- Prepare a financial statement to determine the gross profit or loss and the net profit or net loss.
- Work out a statement of financial position as at 31st Dec 2024

### Item 5

Promise operates a small meat roasting business in a trading center of his village. He has the following records for the month of May, 2022 but unfortunately has limited skills in book keeping

May 1<sup>st</sup> commenced business with cash shs. 60,000

2<sup>nd</sup> bought meat by cash shs.20,000

5<sup>th</sup> paid rent by cash shs.15,000

7<sup>th</sup> sold meat by cash shs.15,000

10<sup>th</sup> bought 2kgs of meat by cash shs.22,000

12<sup>th</sup> sold meat by cash shs.32,000

15<sup>th</sup> made cash drawings shs.10,000

18<sup>th</sup> received cash from John shs.28,000

20<sup>th</sup> sold meat by cash shs.38,000

20<sup>th</sup> bought meat by cash shs.30,000

30<sup>th</sup> bought airtime by cash shs.5,000

### Task

Record the transaction of Promise's business using the double entry principle

### Item 6

The cashier of Tusubira Retails shop maintains a file containing all the source documents of the business. On checking the file at the end of the month of September, 2021, he found invoices and credit notes with the following information.

July, 2 <sup>nd</sup>	-	Incoming invoices from;-
Sarah	-	shs. 2,000,000
Tina	-	shs. 1,800,000
Opio	-	shs. 3,000,000
July 5 <sup>th</sup>		Outgoing invoices to -
Otti	-	shs. 2,000,000
Emeka	-	shs. 2,000,000
Tom	-	shs. 1,400,000
July 7 <sup>th</sup>		Incoming credit notes from
Sarah	-	shs. 400,000
Tina	-	shs. 100,000
July 8 <sup>th</sup>		Incoming invoices from;
Sarah	-	shs. 4,500,000
Tina	-	shs. 300,000
Opio	-	shs. 1,200,000
July 10 <sup>th</sup>		Outgoing credit notes to;
Otti	-	shs. 150,000
Tom	-	shs. 180,000
July 15 <sup>th</sup>		Outgoing invoices to;
Emeka	-	shs. 400,000
Otti	-	shs. 3,200,000
July 18 <sup>th</sup>		Incoming invoices from
Tina	-	shs. 200,000
Opio	-	shs. 120,000
July 25 <sup>th</sup>		outgoing credit note to;



18<sup>th</sup> Settled debt due to Namukasa by cheque less 5% discount for the wheat flour purchased from her.

**Task**

- a) Open up relevant books of accounts
- b) Give any two circumstances under which an entrepreneur may receive a discount.

**ITEM 8:**

MURUNGI has been trading since 2012 and his nephew who is not trained in accounting has been assisting him to keep records, in addition to helping in the shop. Murungi would like to know the financial status of his business. You have been hired as a senior accountant and a consultant.

ITEM	UGX
Capital	6,850,000
Sales	5,200,000
Purchases	3,800,000
Cash at Hand	5,720,000
Premises	550,000
sales returns	50,000
Discount Received	400,000
Motor Van	1,200,000
Creditors	300,000
Bank over draft	20,000
Opening stock	870,000
Drawings	1,100,000
Electricity Bills	1,440,000
Insurance Bills	1,800,000
Stock at Close	720,000
Bank Loans	2,660,000
Rent income	550,000
Purchases returns	550,000

**TASK**

Assist Murungi to prepare relevant financial statements that can be used to:

- i. Check on the arithmetic accuracy of the ledger balance as at 31 July 2014

- ii. Determine the financial performance made by the business for the period ending 31<sup>st</sup> July 2014.
- iii. Determine the financial position made by the business as at 31 July 2014

**ITEM 9:**

Kisakye is a poultry farmer in Semuto village. She recently attended a workshop and sensitized about book keeping. However it seems she didn't get enough knowledge because when she prepared her statement that shows a list of debit and credit balances for the year 2023, it failed to balance. It appears as below.

**KISAKYE POULTRY FARM  
TRIAL BALANCE  
AS AT 31<sup>ST</sup> DECEMBER 2023**

Details	Debit (shs)	Credit (shs)
Debtors		2,000,000
Creditors	2,000,000	
Land		5,000,000
Machinery		4,000,000
Fixtures and fittings		3,000,000
Equipment		2,000,000
Motor van		1,500,000
Purchases		2,500,000
Return from customers		500,000
Return to suppliers	600,000	
Discount allowed	2,000,000	
Discount received	1,000,000	
Stock at start	1,500,000	
Cash at hand	600,000	
Cash at bank	3,400,000	
Rent income	400,000	
Sales	7,000,000	
General expenses		1,000,000
Capital		16,000,000
Closing stock.	3,000,000	

Task

- a) As a student of financial management she has approached you to assist her to identify the error made that made that statement not to balance and correct it.

- b) Prepare a comprehensive statement of account.
- c) Prepare a statement that determines the financial position of the business for the business above as at a given date.
- d)

**Item 10**

Nalongo owns a busy restaurant in Kikoni near Makerere University. Her restaurant is called Nalongo Fast Foods. She lacks good book keeping skills and she just records any transactions she incurs without following the right accounting principles. Last year, 2023, by December 31<sup>st</sup> she had made the following recordings.

Item	Amount
	shs
Stock 01. 01. 2023 of food item	1,250,000
Unsold food items at 31 <sup>st</sup> /12/2023	1,500,000
Purchases of Matooke	700,000
Food returned by customer	750,000
Spoilt Matooke returned to supplier	45,000
Total sales made	13,000,000
Transport allowance offered to customer	95,000
Premises	6,000,000
Tools and equipment	3,500,000
Creditors	1,075,000
Debtors	1,500,000
Drawings	150,000
Table	625,000
Salaries and wages	875,000
Discount allowance	187,500
Commission received	112,500
Electricity bill	140,000
Cash at hand	60,000
Bank overdraft	465,000
Airtime expenses	180,000
Interest received	582,500
Capital	7,875,000
Interest on loan	7,142,500

### Task

- Check the arithmetic accuracy for the above statement
- Help Nalongo Restaurant to determine the gross profit and net profit made at the end of the trading period

### ITEM 11

Opera Supermarket operates its books of accounts on the Imprest system where its main cashbook is kept alongside a Petty cash book.

The monthly cash float is 150,000 and 30<sup>th</sup> March 2020 the balance at hand was 15,000 if the following transactions during the month of March 2020;-

5th	bought postage stamps	-	shs 1,000
6th	paid staff tea	-	shs 11,000
8th	paid transport	-	shs 2,000
10 <sup>th</sup>	paid for fuel	-	shs 2,500
15 <sup>th</sup>	purchase new lock for the office	shs	1,000
16 <sup>th</sup>	paid for repair of water system	shs	2,000
25 <sup>th</sup>	paid for sugar for staff tea	-	shs 3,000
29 <sup>th</sup>	paid for paper clips	-	shs 1,500
30 <sup>th</sup>	paid for reams of papers	-	shs 5,000
31 <sup>st</sup>	paid Otimu.	-	shs 40,000 a creditor.

### Task

- Prepare relevant book of accounts that can be used to accommodate minor expenses using analysis columns of communication, stationery, sundry, transport and ledger.
- Present any five benefits of maintaining such book of accounts.

### ITEM 12.

Mamma Pheena runs a retail shop in Nakatunya, Soroti district. Within her shop premises, is a mobile money business, trading under a different business name. She does not keep her business records according to the double entry system. The following balances were extracted from her business' records for the year ended 31 December, 2019.

- 1ST Mamma Pheena started business with shs. 16,000,000 in cash.
- 2nd Bought goods on credit from Yiga shs. 4,200,000.
- 3rd Paid rent in cash shs. 870,000.
- 4<sup>th</sup> Purchased goods worth shs 500,000
- 4th deposited shs. 10,500,000 of the cash into the bank.
- 5th Sold goods on credit to Baba shs. 1,920,000.
- 6th Bought stationery shs. 185,000 paying by cheque
- 7th Cash sales shs. 10,323,000.
- 8th Bought goods for cash shs. 1,540,000.
- 9<sup>th</sup> Paid for salaries worth shs 100,000 for each worker. The business had 3 workers.
- 10<sup>th</sup> Brought additional capital by cheque shs 7,000,000
- 10<sup>th</sup> Purchased Land by cheque shs 8,000,000
- 19<sup>th</sup> Purchased goods on credit from J. Aguma shs. 1,215,000

- 19<sup>th</sup> Paid transport shs. 120,000 by cheque
- 18<sup>th</sup> Baba cleared his account by cheque
- 20<sup>th</sup> Paid shs. 90,000 for secretarial services by cheque
- 20<sup>th</sup> Paid Yiga shs 2,000,000 by cash as part payment of his amount due.
- 20<sup>th</sup> She banked all cash leaving 3,000,000 in the cash till.

**Task**

Assist her to prepare relevant book of accounts and thereafter prepare relevant ledger accounts and balance them at the end of the month.

***THE STRUGGLE STILL CONTINUES.***