

SECTION A

All items in this section are compulsory

ITEM 1

Kapeke is an entrepreneur who owns "KAPE FASHION DESIGNERS". The business deals in providing a variety of clothes for both males and females. He employs 5 workers though lack adequate skills regarding marketing and customer care. Customers are complaining of the low quality clothes sold which are sometimes dirty due to the dirty environment she operates from. She also uses low quality and old sewing machines which delays production as well as reducing the efficiency of the production output.

At the end of the financial year on 31st December 2025, Kapeke also wants to examine the performance of his business basing on the actual profits made but he has limited knowledge on determining actual profits and interpreting financial statements and has presented to you the following records for assistance.

- Gross profits for the year UGX.25,000,000
- Purchases discount after buying clothes from a supplier is UGX500,000
- Total values of clothes sold in a year is UGX50,000,000 though clothes worth UGX500,000 were returned by customers due to low quality.
- Salaries and wages spent on all workers is UGX500,000 monthly.
- Electricity bills for the year is UGX 1,200,000
- Water bill for the year is UGX240,000
- Administrative expenses valued UGX.2,400,000

Task:

- a) Assess the situation in Kapeke's business and help him improve efficiency of his business products.
- b) Help Kapeke to prepare a statement that determines the actual profits made by his business and also help him make a decision on how commercially effective the business is in making profits basing on the following ratios.
 - i) Electricity ratio
 - ii) Administrative ratio

ITEM 2

Sweet Dairy Enterprises Ltd processes and packages milk for sale in different parts of the country. In recent months, the enterprise has experienced increasing production costs due to high prices of milk, frequent breakdown of milk coolers and other machinery, inefficient workers yet they are paid highly and low output due to roles conflicts amongst workers. Consequently, the business has faced cash flow challenges, making it difficult to pay suppliers and employees on time. The managing director intends to expand production while reducing operating costs. To

support decision making, the accountant has provided the following cash flow information for the months of March, April and May 2025 with an opening cash balance of UGX 25,000,000.

PROJECTED CASH RECEIPTS UGX (000)

- Monthly cash received from customers UGX2,800
- Proceeds from sale of old equipment UGX 20,000 in April
- Projects to obtain a loan from Tropical Bank in May UGX5,000

PROJECTED CASH PAYMENTS UGX (000)

- Payments to suppliers for goods obtained on credit in March UGX,17,000
- Monthly wages and salaries UGX 600
- Purchase of machinery in May UGX 5,000
- Monthly rent and utilities UGX 500 and UGX 200 respectively
- Loan repayment starting in May UGX 200.

The managing director has requested for your professional advice.

Task:

- a) Guide the management on how they can reduce the expenses incurred in production identified in the scenario.
- b) Prepare a cash flow plan for Sweet Dairy Enterprises Ltd using the information provided and propose any two management decisions that should be made based on enterprise's net cash position.

SECTION B

Attempt only one item from this section

ITEM 3

Quality Fresh Foods Ltd is a growing enterprise involved in the production and sale of packaged food products. Due to expansion, the business plans to recruit additional workers in the production, sales and administration departments. The Human Resource Manager has been assigned to ensure that the enterprise attracts and selects suitable employees who can contribute to business success.

The enterprise also wants to increase its market share because of stiff competition from other food processing companies. Management has decided to develop an effective plan to identify customers, promote products, improve sales performance and other marketing needs but lacks sufficient knowledge on how to prepare it.

You have been appointed as a business consultant to guide management on human resource needs and marketing strategies.

Task:

- a) Prepare a checklist that will be used by the Human Resource manager when staffing workers for different positions in an enterprise.
- b) Help the management to prepare a plan identified in the scenario.

ITEM 4

Ngezze and Priscillah are all graduated in Food technology from Kyambogo University. They noticed that many students around the university struggle to get affordable, healthy and fast meals between lectures. After research, they decided to start “Campus bites”, a food delivery business that will deliver packed health meals to students within 30 minutes using motorbikes.

They have managed to raise UGX 15,000,000 as capital. However, there are already 3 existing food businesses around the university: Yummy eats, Quick meal and Mama Shan canteen that also deliver food. Ngezze has drafted an executive summary for their business plan but it is incomplete. Priscillah has been tasked to analyse the competition before they launch.

Task

- a) Help Ngezze complete the executive summary for “Campus bites”.
- b) Advise Priscillah on the factors she should consider when analyzing completion for “Campus bites”

End