

S.5 ENTREPRENEURSHIP EDUCATION HOLIDAY

ATTEMPT ALL ITEMS

ITEM 1

Apollo operates a stationery shop, and at the end of the financial year on 31st December 2023, he requires financial statements to assess the performance and position of his business.

He has hired you as an accountant to prepare:

- a) A Statement of Comprehensive Income (Income Statement) to determine the profit or loss.
- b) A Statement of Financial Position (Balance Sheet) to show the financial health of the business.

The following trial balance was extracted from the books of Apollo's Stationery Shop as at 31st December 2023:

APOLLO'S STATIONERY SHOP
TRIAL BALANCE AS AT 31ST DECEMBER 2023

Details	Dr (shs)	Cr (shs)
Stock at start	6,000,000	
Purchases	32,000,000	
Sales		40,000,000
Return inwards	4,000,000	
Return outwards		3,000,000
Salaries	3,500,000	
General expenses	2,900,000	
Discount allowed	3,000,000	
Interest received		2,000,000
Drawings	9,000,000	
Carriage inwards	2,000,000	
Carriage outwards	4,000,000	
Motor van	20,000,000	
Buildings	30,000,000	
Bank overdraft		6,400,000
Cash at hand	8,000,000	
Debtors	15,000,000	
Creditors		30,000,000
Capital		58,000,000
Total	139,400,000	139,400,000

Additional information.

Closing stock ugx 8,000,000

Item 2

Maneno is a committed entrepreneur and innovator in his community. He bought a petrol station from Musoke which had been burnt with fire and renovated it giving it a good brand name. Being creative and innovative, Maneno has employed beautiful ladies with placards and fliers welcoming customers to the station, he allows customers to pay daily sales using mobile money.

He also provides repairs services with computerized alignment to the customers plus new vehicle lubricants

Task

- a) Give any four types of innovations initiated by Maneno in the business?
- b) State any five characteristics of Maneno as an innovator.
- c) Apart from fire, what other risks are mostly likely to be encountered in Maneno's business?