

P230/2
Entrepreneurship
Paper 2
July 2026
3 hours



ACEITEKA JOINT MOCK EXAMINATION 2026

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP EDUCATION

PAPER 2

3 HOURS

INSTRUCTIONS TO CANDIDATES

- This paper has two Sections A and B.
- Respond to three (3) items in all.
- Section A is compulsory.
- Respond to any one item from Section B.
- Credit will be given for use of relevant reference to the scenario.
- Any additional item responded to will not be scored.

SECTION A

Item 1

Kazibure owns Kazibure Bakers Ltd that produces bread, cakes and daddies for schools and supermarkets. Recently, the demand for his bakery products has reduced because customers have complained about their nature. As a result, his sales, profits & business reputation have started declining. In order to restore customers' confidence, Kazibure plans to purchase and use quality inputs, employ specialised workers and conduct regular market survey. To implement his plan, he has decided to apply for a bank loan. Before approving the loan, the Bank Manager has tasked him to prepare a summary showing the expected cash inflows and cash outflows of the business.

Kazibure has provided the following for the first quarter of 2026. Cash balance 1st January 2026 UGX.3,500,000; Monthly cash sales UGX.25,000,000; Monthly cash purchases UGX.13,000,000; Monthly credit purchases UGX.10,000,000 with cash payment to be effected in the month of purchase. Monthly credit sales UGX.16,000,000 with cash to be received in the following month of sale; sold old machinery UGX.2,000,000 in February; Loan of UGX.9,000,000 to be acquired in January at an interest rate of 3% on reducing balance; loan repayment to be in three equal installments beginning February; Monthly administrative expenses UGX.15,000,000; Seminars and refresher training in March UGX.5,000,000; Installation of CCTV cameras UGX.2,000,000 in January. Monthly donation of clothes to the society valued at UGX.4,000,000 and depreciation expenses per month projected to be UGX.3,400,000.

Task

Using the entrepreneurial knowledge and skills acquired from your school business club and field trip.

- (a) Propose to Kazibure the strategies he should undertake to restore the confidence of his customers.
- (b) Prepare for Kazibure the suitable financial statement to determine the net cash position for his business.

Item 2

Akwi operates a fruit juice business in Kumi town. Demand for her product is declining as she struggles to get quality fruits at stable prices leading to wastage and reduced profits. She considers buying fruits directly from the farmers or dealing with reliable suppliers with short supply time and able to allow installment payments.

Due to declining performance of the business, the accountant left the job without preparing the statement of the financial position of the business using the following balances for the

year ended 31st December 2025; initial capital UGX.59,000,000; Premises UGX.45,000,000, closing inventory UGX.8,000,000 drawings UGX.9,000,000; Accounts payable UGX.28,000,000; Vehicles UGX.22,000,000; Cash UGX.7,000,000; Short term loan UGX.8,000,000; Debentures UGX.14,000,000; Accounts receivable UGX.5,000,000; Bank UGX.11,000,000 and net profit UGX.(2,000,000).

Task

Using your entrepreneurial skills and knowledge.

- (a) Advise Akwi on considerations for selecting suppliers of fruits.
- (b) Construct the statement of financial position of the business.

Item 3

Mugisha operates a growing carpentry workshop in Mbarara city that makes tables, chairs and beds for local market. Recently, several new carpentry workshops have joined the market offering similar products at competitive prices leading to reduced market share.

To expand the business and regain market leadership, Mugisha plans to seek financial support from a financial institution. He is supposed to present a document that summarises operational and financial business objectives with detailed plan to qualify for the financial support. At the same time, he wants to develop strategies that will help his business remain competitive despite increasing rivalry in the market.

Task

Using the entrepreneurial skills and knowledge acquired from your school business club and field trips;

- (a) Help Mugisha present the necessary steps of the required document.
- (b) Develop relevant strategies that should be used by him to cope up with the situation.

Item 4

Momo hardware is located in Kayunga town, owned by Mr. Kisitu Bright. For the last 10 years, his business had monopolised the local market. Recently, he has noticed decline in sales compared to the previous years. He suspects the sales team is letting him down with several complaints made by customers like selling products that customers do not want, charging high price and confusing advertisements.

As a result of decline in sales, the revenue of the business is insufficient to create a desire within the workers that keeps them working towards achievement of the desired goals and objectives for the business.

Task

Advise Mr. Kisitu Bright on;

- (a) How to restore sales volume.**
- (b) Ways to make the workers provide the highest productivity and perform better up to the expected standard.**

END