

P230/1
Entrepreneurship
Education
Paper 1
July 2026
3 hours



ACEITEKA JOINT MOCK EXAMINATION 2026

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP

EDUCATION

PAPER 1

3 HOURS

Instructions to Candidates

This paper consists of two Sections A and B.

Section A has two compulsory items,

Section B has two items; The item taker responds to one item.

Respond to three items in all.

Start each item / task on a fresh page.

Any additional item responded to will not be scored

SECTION A

All items in this section are compulsory.

ITEM 1

Recently, Tatu inherited LMZ Company from his grandfather. Since he does not have experience in entrepreneurship career, he is finding it hard to inspire people to work in a specific way, make trade agreements, appropriately choose the best alternatives out of many, manage funds, use time productively, and express ideas and inform others. Furthermore, he can't mobilize and allocate different resources to the right direction, and consider what the future might offer, impact on the business and what needs to be done for it now. As a result, the business is performing poorly, and has been advised to improve on his managerial ability to apply knowledge but does not know what ability to develop.

In addition to the limited ability of Tatu to manage the business, the combination of economic external factors and their organic integration have also impacted negatively on the enterprise.

TASK:

Using your expertise in entrepreneurship, guide Tatu on

- a) ability to apply knowledge he should develop.
- b) strategies for making the combination of these external factors and their organic integration favorable.

ITEM 2

Sarah and her brother Ismail, who both dropped out of school due to lack of school fees after attaining primary leaving certificate, worked hard in the family gardens and saved money for venturing into entrepreneurship. In 2023, they established "Sais Confectionaries" in Dar Town Council, Pala District. They have employed skilled personnel, capital equipment, availed other required inputs and carried out their supervisory role but still the business is not doing well yet there are few firms providing substitute products in the locality. The

entrepreneurs have lost hope and now believe that the failure of the business is due to 'african chemistry' (-witchcraft). They are frustrated and seeking for advice on bringing glory to the enterprise.

Sarah and Ismail have also developed a belief that God does not want the confectionary business to succeed hence have decided to start up another business for supporting the community. They have thought of cattle rearing and putting up meat processing plant. The community members will each receive a female cow in addition to working in the enterprise. However, Sarah and Ismail don't know the procedures to follow when setting up the new enterprise.

TASK:

Describe for Sarah and Ismail the

- a) strategies for bringing glory to Sais Confectionaries.
- b) formalities for establishing the new enterprise.

SECTION B

Respond to one item from this section.

ITEM 3

In 2022 Doodoo and siblings obtained a mortgage of Shs 200 million for constructing 3 self-contained five-bedroom houses for renting out and Shs 50 million to buy a van to be used by the family members. Doodoo who was given the responsibility to register and insure the van did so at Shs 60 million in his own name against accident until May 2026. Recently at the beginning of this current month, a new non-citizen driver drove the car on the right-hand side of the road causing severe head-long collision with another vehicle. Doodoo immediately reported the accident, claimed for compensation and sold off the wreck. The claim was not honoured. Doodoo and siblings are frustrated and wondering what to do.

From the houses Doodoo and siblings earn Shs10 million monthly. Provision for expenses are 20% of the gross rental income while tax free allowance is Shs 2,820,000. Mortgage interest of shs 1 million is being paid every month. Uganda Revenue Authority has learnt of this business and asked the family to meet tax liability of 12% but none of them has skills for computing it.

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TASK:

Explain to Dooooo and siblings:

- a) reasons for dishonour of the claim.
- b) how to determine the tax liability.

ITEM 4

One of the most important roles of an entrepreneur is to manage business risks. Teletubby, an entrepreneur operating an importation business in Kay town, has a dream of investing in bonds to spread out business risks. She has accumulated Shs 100 million which she wants to invest but has no idea of the process. She is seeking your help.

Last month Teletubby imported goods worth Shs 50 million and sold them to Tinky Winky at Shs 60 million. Tinky Winky sold the goods to Dipsy at Shs 65 million. Dipsy sold the goods to Laalaa at Shs 72 million. Laalaa then sold the stock to Noonoo, a final user at Shs 80 million. All transactions VAT (18%) inclusive.

TASK:

Demonstrate to Teletubby how she can

- a) realise her dream.
- b) compute total price Noonoo, the final user would pay inclusive of VAT.

END