HODEB

845/1
ENTREPRENEURSHIP
EDUCATION
Paper 1
July/Aug. 2026
2½ hours

HOIMA DIOCESE EXAMINATIONS BOARD

UCE Mock Examination, 2026

ENTREPRENEURSHIP

Paper 1

2 hours 30 minutes

INSTRUCTIONS TO CANDIDATES

This paper consists of sections **A** *and* **B**. *It has* **six** *examination items.*

Section **A** *has* **two compulsory** *items.*

Section **B** *has* **two** *parts:* **Part I** *and* **Part II**. *Choose* **one** *item from each part.*

Respond to **four** *examination items in all.*

Any additional item(s) responded to will **not** *be scored.*

All responses must be written in the response booklet(s) provided.

  Turn Over

SECTION A

Answer **all** *items in this section.*

Item 1

Mboine has saved UGX 100,000 to start a small poultry rearing business at home. Her parent has offered her a room to use for the project. She is stranded on how to properly allocate the money she has and also look for other means to raise more funds to have it expand within six months.

Task

(a) Prepare a plan to help her allocate the money.

(b) Advise Mboine on means she can utilize to raise more funds.

Item 2

Nabirye owns a passion fruit juice processing business in Jinja. She buys passion fruits from a distant district which makes transport costs very high. She uses a domestic blender that overheats after producing only 10 litres of juice. Nabirye also performs all tasks herself right from washing fruits to labelling bottles. As a result, she gets exhausted and fails to meet large customer orders. The business struggles with a cash deficit, as she spends all daily sales on personal household needs before paying her fruit suppliers. Her juice sales have also remained very low with many times failing to sell all the juice produced in a day.

Task

Guide Nabirye on how to increase:

(a) output of juice in her business.

(b) daily sales of her juice.

SECTION B

PART I

Choose **one** *item from this part*

Item 3

Araali owns a fuel station in a busy town. However, many times, some customers pay using counterfeit money. He also receives reports from his workers that some customers run away without paying for the fuel taken. When Araali reports to police, he is asked vehicle number plates, which his workers fail to record. Being a fuel station, Araali would like to ensure that the business is protected from unforeseen challenges like fire.

Each day, the workers handle a lot of cash which sometimes gets lost. His suppliers have also demanded that he makes payments only through the business bank account. He has remained hesitant to open a bank account wondering how it will contribute to his business operations.

Task

(a) Explain how he can overcome the business challenges.

(b) Advise Araali on the contribution of the business account to his business.

Item 4

A group of stone crushers in Igayaza has operated a SACCO for two years. The SACCO leaders lack management skills and many members have defaulted on loans and workers frequently suffer from stone cuts. They keep their cash in a bag at the site office, which is just an iron-sheet hut with no guard. The District Labour Officer has never been invited to advise them. The members have also disagreed on the idea of opening up a bank account for the group. Some members claim that the banks will take away their money or expose their incomes to the public.

Task

Using your entrepreneurship skills:

(a) Sensitize the members on their rights as bank customers.

(b) Advise the SACCO leaders on how they can mitigate the challenges in their operations.

PART II

Choose **one** *item from this part*

Item 5

Obed operates Turnon Luxury Men's salon in town. He received salon consumables including a box of After-shave (500 ml bottles) worthy UGX 170,000, Spirit worthy UGX 120,000 and Liquid soap 20 *l* at UGX 55,000 from Ama Salon Supplies Ltd last week. He has instructed the cashier to effect the payment to the supplier and ensure that the supplier duly signs as evidence. However, the cashier has failed to draft it a suitable document for that purpose.

Obed is also preparing for a presentation to make at the local council event where all salon owners are required. He is required to show the financial position of his business as a way of convincing the local leaders to support his business. His cashier has provided him with the following balances as at 31st May, 2026;

Particulars	UGX
Cash balance	320,000
Creditors	150,000
Equipment	700,000
Furniture and Fixtures	1,200,000
Stock of consumables	300,000
Capital	2,000,000

Obed says that by 31st May, the salon had made a Net Profit of UGX 370,000. However, he has failed to organize the above records to help him determine the business' financial position.

Task

(a) Draft a suitable document to be used by the cashier for the transactions indicated.

(b) Organize the ledger account balances to determine the business' financial position.

Item 6

(a) Kato operates Kabest Metal Workshop. He ensures that all business transactions are noted down in a book he keeps at his business. Recently, he failed to summarize the transactions of the month of June, 2026 so as to determine the rightful cash and bank balances of the business. The entire month's transactions are shown below;

1st business cash and bank balances stood at UGX 800,000 and UGX 1020,000 respectively.

4th received UGX 50,000 from Adyeri through bank as part payment of his order.

5th bought iron bars and other metals worthy UGX 900,000. He wrote a cheque to the supplier.

5th paid for electricity UGX 200,000 deducting from the bank account

18th cash collected from sale of metal products amounted to 1,200,000

24th paid landlord UGX 400,000 by cash.

28th paid his two workers their salaries UGX 250,000 each by cash.

Kato has approached you help him determine the business cash and bank balances.

Task

Using your accounting skill, prepare the relevant book for Kato's business.

(b) Fanfan Restaurant is a business operated by a group of young entrepreneurs. Recently, Tendo was appointed as a new treasurer of the group. As part of the handover process from the previous treasurer, Tendo was provided with books of accounts indicating the following balances as at 31st December, 2025;

Particulars	UGX
Stock (31.12.2025)	210,000
Sales returns	40,000
Rent	500,000
Sales	2,540,000
Purchases	900,000
Discount received	120,000

Tendo has been tasked with presenting a report during the Annual General Meeting (AGM) about the business' performance, specifically its profitability. However, Tendo has limited accounting knowledge and is seeking for your assistance.

Task

Prepare a suitable statement that Tendo can present during the AGM.

END