

P230/2
ENTREPRENEURSHIP
EDUCATION
Paper 2
July/August 2026
3 Hours



**SENIOR EDUCATION CONSULTANTS (SEC)
JOINT MOCK EXAMINATIONS, 2026**

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP EDUCATION

Paper 2

3 Hours

INSTRUCTIONS TO CANDIDATES:

This examination paper consists of two sections A and B.

*It has **four** examination items.*

Section A has two compulsory items.

*Section B has two items. Respond to only **one** item.*

*Respond to **three** items in all.*

*Any additional item responded to will **not** be scored.*

SECTION A

All items in this section are compulsory.

Item one

Carol owns achievers bakery in kakiri town. The business faces challenges of competition due to production of substandard products due to use of weak machine. It registers losses due to damaged unsold stock and difficulty in records keeping making it hard to track sales, expenditure and stock levels accurately. Carol has been advised to buy modern machines and adopt the use sales systems, inventory technology such as digital point of sales systems, inventory technology software a s mobile payment platforms to improve efficiency and minimize errors.

The business maintains its project manually and operates on aquate basis. For the first 3 quarters of 2020. It has a cash surplus of UGX 24,000,000 and bank deposit of 8,000,000deficits. Projections are sales of UGX 8,000,000 per quarter and recover 50% instantly but balance in next month with 2% discount, cash sales and purchases per month to be UGX 6,000,000 and UGX 3,000,000 respectively, credit purchases to be UGX 2,000,000, loan of UGX 18,000,000 to be acquired in the first quarter with payment plan of 3:3:3 in each of the quarter at interest of 10% per quarter pay on straight line method, donate bread and cash of UGX 2,000,000 and UGX 1,000,000 respectively to Mukisa orphanage in each quarter, pay monthly insurance premium and salesmen allowance of UGX 600,000 and 1,200,000 respectively receive and issue debenture of UGX 500,000 per quarter, receive commission income of UGX 1,600,000 to increase by 5% monthly and pay 8 workers a salary UGX 2,000,000 per month with a 2% increase after first quarter.

Task

Using your entrepreneurial knowledge and skills acquired in your business club and field trips.

- Help Carol select right machines
- Select technology that is worth
- Comment on the net cash closing balances.

Item two

Kisitu works as the operations manager of "Kiisi, quality grain processors" a crucial community based milling enterprise in Mpigi. The mill deals in processing of quality flour and records daily transactions. Although kisitu diligently records all daily transactions including maize purchases, flour sales and operational expenditures, the business has a major challenge of rising production cost for over four years. Kisitu would like to minimize such costs and make an appropriate plan to produce quality products for sale but has got limited knowledge about it and needs assistance. The factory management is also meeting the shareholders next month and among other things, the shareholders are demanding a statement on the flow of income that is to be shared by the shareholders but kisitu has the transaction appear as follows;

As at 31st March 2026

Details	Amount (UGX)
Milling machines acquired	75000
Trade receivable	18000
Bank loan	31000
Cash balance	14000
Bank account	27000
Drawings	10000

Discount on purchase	6000
Capital	190000
Carriage on sales	8000
Wages and salaries	15000
Debenture	14000
Discount on sales	48000
Commission received	20000
Stock at close	48000
Annual turnover of flour	128000
Maize seeds bought	
Carriage inwards	
Stock at start	
Overheads	
Premium	
Returned flour by customers	
Expired raw maize	
Seeds returned to farmers	

In addition, commission of UGX 5000 was outstanding while premium of UGX 2000 was unpaid.

Task

You have been approached as a business consultant to assist "Kiisi quality Grain processors"

- Propose strategies to overcome the major challenge faced.
- Prepare the required plan to streamline operations
- Draft a statement to be presented to shareholders and analyse business profitability basing on the net profit margin.

SECTION B

Respond to one item in this section

Item 3

Nabulime operates Bulamu Nursery and Primary school in Nansana division, Wakiso district, recently the school has experienced a sharp decline in the number of pupils mainly resulting from poor handling of pupils and parents by the teaching staff and low follow up of the different activities in the school by top management. Most parents raise their concerns especially in different meetings but little attention has been given to them.

Instead top management is planning to establish another branch in Wakiso town and the implementation document has already been designed to help in fulfilling their idea. However instead of rushing to establish a new branch, Top management has been advised to first organize the mother branch by making an effective follow up of the different activities being carried out.

Task

- a. Assist top management to identify the different mechanism to use in following up different activities so as to ensure efficiency and effectiveness at the mother branch.
- b. Identify the key aspects that top management might have included in the implementation document to be used to establish the new branch.

Item four

Judging the performance of the workers periodically to continuously arouse their working interest is an integral aspect of proper business management and can help to maintain the business manpower for a considerable a period of time, create confidence and continuous development of the enterprise.

Task

- a. Using your knowledge of entrepreneurship education, describe the ways in which the performance of workers can be judged?
- b. Discuss the ways in which interest can be aroused in workers to enhance effectiveness and efficiency of the workforce.

END