P230/1
ENTREPRENEURSHIP
EDUCATION
Paper 1
July/August 2026
3 Hours

SENIOR EDUCATION CONSULTANTS (SEC)
JOINT MOCK EXAMINATIONS, 2026

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP EDUCATION

Paper1

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 1

Kamadhi operates a business dealing in supply of scholastic materials to secondary schools. This business requires kamadhi to negotiate with school administrators. Kamadhi faces challenges in negotiating with his clients and this is attributed to his poor personal attributes during negotiations. Kamadhi intends to establish a lucrative business venture with a unique brand but lacks basic knowledge on how to identify good business opportunities.

Task

Use your entrepreneurship skills to

a) Help kamadhi overcome the challenges in the scenario.

b) Show how the economic entrepreneurial environment influences the entrepreneurial venture in the scenario.

Item 2

Kabangule is a S.6 graduate living in Kamuli Municipality noticed that youth community was struggling with high unemployment problems and plastic waste clogging drainage channels and farm land in 2024. Kabangule started "Green environment Uganda" a small and medium enterprise that collects plastic wastes and recycles it into low cost bricks and dust bins.

She employs 20 youth who were previously unemployed 20% of profits are used t run free waste management training in different areas. Her business is registered an employs formal contracts but she struggles with limited capital to buy moder recycling machines and competition from inconsistency supply of waste plastics.

An NGO approached Kabangule to partner with him in business.

Task

a) As a student of entrepreneurship, educate the community on how Kabangule's business is addressing the social concerns in Kamuli Municipality.

b) Inform the community on the traits that Kabangule's Green environment Uganda is a small and medium enterprise.

SECTION B

Item 3

Mr. Mugora owns "Lyags Agro supplies limited" a business dealing in the sale of Agricultural inputs in Masaka city. To protect his business, he insured his stocks and delivery vehicles with different insurance companies.

One day fire broke out in the store and destroyed part of the stock Mr. Mugora distributed the damaged stock to nearby farmers. During the insurance claim process, it was discovered that Mr. Mugora did not disclose that some of the stock was highly flammable when taking the insurance policy. In addition, he submitted claims to two insurance companies for the same loss hopping to receive a double compensation.

At the same time the business was facing tax-related challenges. Mr. Mugora complained that tax rates were high tax laws were difficult to understand and tax education was inadequate and business was evading taxes without being penalized.

Task

a. Identify and explain the insurance principles that were bleached and present procedures for compensation.

b. Suggest ways to solve tax problems in Mr. Mugora's business.

Item 4

The management of Dimazima enterprise. Gulu has experienced rapid growth in demand for its products. The enterprise intends to expand its operations by constructing a modern production facilities, however the business does not have sufficient funds to finance the expansion.

During the annual board meeting the directors discussed various sources of long term finance. A financial consultant advised them to consider raising funds through capital markets. The consultant advised them to contact players that support capital markets to mobilize funds for the business growth. The management of Dimazima enterprise Gulu has experienced rapid growth in the demand for its products. The enterprise intends to expand its operations by constructing modern facilities, however the business does not have sufficient funds to finance the expansion.

During the annual board meeting, the directors discussed various sources of long term finance. A financial consultant advised them to consider raising funds through capital markets. The consultant advised them to contact players that support capital markets to mobilize funds for the business growth. The enterprise deals in the importation and sometimes exports sugar. During the month of January 2026, the enterprise imported 1000 bags of sugar from UAE of 50 kgs each. The cost of the sugar was 1 USD = 3500UGX. The cost of transporting sugar from UAE to Mombasa was 500 USD and insurance cost of 400USD. From Mombasa to Kampala, the freight again was 200USD. The import rates of sugar were as follows;

Import duty 75%

Excise duty 25%

VAT 18%

WHT 6%

The exchange rate was 1USD = 3700UGX

Note:

The Tax computed based on Cost, insurance and freight (CIF) the freight value considered is up to Mombasa

Task

As a student of entrepreneurship education:

a) Guide the management on the fares where they can get assistance on Capital markets.

b) Using the above information, compute the tax payable by the enterprise to URA customs

END