

P230/1
ENTREPRENEURSHIP
Paper 1
Jul/Aug 2026
3 Hours



USTAA MOCK EXAMINATIONS 2026

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP

Paper 1

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

Respond to **all** items in this Section.

Item 1

In 2025, heavy rains destroyed several crop gardens in a community in Kigumba District reducing household income and increasing unemployment among people. To address the challenge, local leaders organised public hearing where residents were encouraged to identify activities that could generate income and improve living standards. Some community members suggested establishing enterprises that could utilise locally available resources, while others expressed concern about the factors that could affect the success of such activities.

Task

(a) Evaluate why some community members may choose to start and operate their own income generating activities instead of relying on paid employment.

Item 2

In 2026, a group of youth in Lira District noticed that many farmers were struggling to find reliable markets for their produce. The youth established amongst produce collection and packaging venture that gradually expanded and began creating employment opportunities for local residents. As the venture grew, they also became concerned about widows and participated effectively in economic activities. The owners started exploring ways of supporting these vulnerable groups while continuing to sustain their operations.

Task

(a) Justify the contribution that ventures of this nature can make to economic growth and local livelihood employment within the community.

(b) Discuss how the enterprise can address the community challenges while remaining operational and sustainable.

SECTION B

Respond to **One** item

Item 3

In 2026, in Jinja District, a group of entrepreneurs established a beverage processing enterprise that quickly gained popularity. As operations expanded, the enterprise accumulated valuable assets and employed many workers during a regional business meeting, the owners learned that enterprises face various risks that could affect continuity. They also learned that government agencies expect business to comply with certain financial obligations.

Task

- (a) Propose practical measures that can help the enterprise remain stable when faced with unforeseen events.
- (b) Examine the ways through which the enterprise can meet its responsibilities towards government and society.

Item 4

Agro-Eco Processors Limited, a business that packs organic honey in Kitgum District, wants to follow government rules and keeping well for long time. The business buys raw honey combs from bee-keepers in Arua District at price of UGX 1,000,000 before tax. They later sell the packed honey jars to shops in Kabale District for a total price of UGX 2,832,000 which includes government sales tax. At the same time, the business employs a worker from Nebbi District to check the quality of honey. This worker is paid a gross salary of UGX 900,000 every month. To be responsible, the business owner wants to find out the exact Net Tax they must pay to the government on their honey sales and how much tax they should take out of the worker's salary before paying them.

Task

- (a) (i) Calculate the Honey Sale Tax.
 - (ii) Calculate the monthly Salary Tax.
- (b) Assess the role of Taxes to the development of entrepreneurial environment in Uganda.

END