P230/1
ENTREPRENEURSHIP
EDUCATION
Paper 1
2026
3 hours

JINJA JOINT EXAMINATIONS BOARD

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP

EDUCATION

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.

 Turn Over

SECTION A

All items in this section are **compulsory.**

Item 1

Ms. Nalule operates a **Classic Fashion Boutique** in Kampala. Last month, she experienced a major disruption when a new government policy on limiting imported textiles significantly increased her procurement costs. Concurrently, her main supplier in Jinja suddenly stopped production due to local industrial strikes. To make matters worse, she received several customer complaints via her social media page regarding the delay in fulfilling customer orders, which were damaging her boutique's reputation. Ms. Nalule needs to draft a formal strategy to communicate with her stakeholders (suppliers, staff, and customers) while carrying on business activities in the environment.

Task:

(a) Guide her on how to effectively communicate with the business stake holders to address the concerns.

(b) Propose strategies to address the environmental situations hindering Ms. Nalule's business operations.

Item 2

In Gulu District, northern Uganda, smallholder farmers face severe post-harvest crop losses, especially with tomatoes and cassava, due to high temperatures, poor storage facilities, and limited market access during peak seasons. Concurrently, the district has a high rate of youth unemployment, with many young school leavers idling in trading center. Sharon, an S6 graduate living in Gulu, has a general passion for agriculture and wants to "do something in farming." However, she is not aware how to convert this broad interest into a real, profitable venture. She learns about solar-drying technology that can process tomatoes into powder and cassava into high-quality flour. She considers setting up a solar-drying processing unit that buys excess produce from local farmers and employs idle youth to operate the machinery and distribute the packaged products. Sharon wants her business to not only make profits but also directly solve the social and environmental challenges in her community.

Task

(a) Guide Sharon to transform her interest into a real venture.

(b) Advise Sharon on how she can ensure sustainability of her solar-drying venture as she address community challenges.

Item 3

Mrs. Kyakuwaire operates "Blessed Electrical Uganda Ltd", a wholesale electrical appliance shop in the busy Kirinya road of Jinja city. She imported a deep freezer from Japan worth CIF value of \$2500 attracting an import duty of 25%, Value Added Tax (VAT) of 18%, Withholding Tax of 6% and Infrastructural levy of 1.5%, Environmental levy of 2%. The exchange rate was \$1 = UGX3700. Of recent a massive fire destroyed three neighboring shops in Kirinya. A friend told her about having insurance protection, and Mrs. Kyakuwaire is highly anxious about the survival of her business in case a similar calamity strikes. She wants to shift the risks to the insurance company but is completely ignorant of how the insurance system works.

Task

(a) Assist Mrs. Kyakuwaire to compute the value of the deep freezer imported.

(b) Advise Mrs. Kyakuwaire on the procedures to follow in order to have a protection against her business

Item 4

Mr. Okello owns a successful hardware manufacturing company in Mbale. After five years of steady growth, he wants to expand his production capacity by installing automated machinery, which will cost 200 million UGX. He is currently debating between raising this capital through the Uganda Securities Exchange (USE) or taking a long-term bank loan. Furthermore, as he prepares his annual financial statements, he must settle his employees tax obligations. His business employs five workers, 1 manager, 1 driver, 1 secretary and 2 cleaners each earning monthly salary of UGX.1,200,000, UGX.600,000, UGX.400,000 and UGX.230,000 respectively. He is unsure how the capital market would facilitate his expansion and not aware on how to compute for the tax liability.

PAYE rates as below **Monthly income**	**Monthly tax rate**
0 - 235,000	Nil
Exceeding Ugx 235,000 but not exceeding Ugx 335,000	10% 0f the amount by which chargeable income exceeds235,000
Exceeding Ugx335,000 but not exceeding Ugx410,000	Ugx10,000 plus 20% of the amount by which chargeable income exceeds Ugx 335,000
Exceeding Ugx410,000	a)Ugx25000 plus 30% of the amount by which the chargeable income exceeds Ugx 410,000 b)Where chargeable income exceeds shs10,000,000, an additional 10% is charged on the amount by which chargeable income exceeds shs10,000,000

Task:

(a) Advise Mr. Okello on how the capital market can facilitate his expansion plans,

(b) Using the monthly tax rate table above, help Mr. Okello to compute employees' total tax liability to be remitted to URA.

END