P230/1
ENTREPRENEURSHIP
EDUCATION
Paper 1
2026
3 hours

UGANDA NATIONAL EXAMINATIONS BOARD

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP
EDUCATION

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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

Musas is a Salesperson of Triple K Traders in Soroti district in Uganda. The nature of the job makes Musas work all the days of the week for long hours yet earns low income. He hardly participates in decision-making of the business and also feels uncertain about the job security. Musas plans to resign and start his own shoe-making business in Soroti City. However, Musas is torn between resigning and continuing with his current job. Besides, Musas is also wondering if the environment will favour his business idea.

Task:

a) Evaluate Musas' situation and advise him to make an appropriate decision.

b) Examine the suitability of the environment for Musas' business idea.

Item 2

A group of unemployed youth in your area have formed a club to create a source of income and solve societal challenges. They have identified the problem of pollution from discarded plastic bottles, polythene bags, paper boxes and old car tyres. The group is considering setting up sustainable businesses to recycle these materials but lack funds. They also need guidance on possible sustainable businesses to start.

a) Evaluate the available materials and guide the youth on the possible sustainable businesses to start.

b) Prepare a plan that will enable the youth to lobby for funds from government.

SECTION B

Respond to **one** *item from this section.*

Item 3

Montana operates a mattress factory in Mbarara Industrial Park. She buys raw materials from China which are transported by sea to Mombasa port and thereafter by road to the factory premises. The cashier usually moves in the factory vehicle with cash from Mbarara city to Malaba border to pay taxes before the materials are released. All these processes are risky to the business but Montana has not taken any action to cover the business.

To ease transportation of the mattresses, Montana is planning to buy a brand-new lorry of model 2025 at a cost of $30,000 (at an exchange rate of $1= UGX3,650). The vehicle is subject to import duty of 25% of cost, Insurance and Freight (CIF), 18% Value Added Tax (VAT), 6% Withholding Tax (WHT) and Infrastructural levy of 1.5%. All these taxes are calculated on CIF. Montana has difficulty in computing the cost of the vehicle.

Task

a) Assess the situation and recommend the policies that should undertake to cover the business risks.

b) Study the provided taxes and determine the cost of the vehicle.

Item 4

Hope Women company started a business which buys and sells land. Their vision is to become a leading provider of affordable, secure and genuine real estate solutions through professional service. With the growth of the business, the directors have heard that they can get long term financing opportunities through Uganda Securities Exchange. The directors are searching for a professional to educate them on how they can utilise the available financial opportunities through Uganda Securities Exchange to achieve their vision.

To ease their record keeping of the business, the directors have decided to buy a new computer set from Dubai. The computer will be delivered at Entebbe International Airport at a cost of $1000. The exchange rate of $1=UGX3650. The computer is also subject to the following taxes:

Value Added Tax (VAT) 18%
Import Duty (ID) 10%
Infrastructure Levy (IL) 1.5%
Import Declaration Fee (IDF) 1%

The directors are experiencing difficulty in calculating the cost of the computer.

Task

a) Evaluate the financial opportunities and propose ways through which the directors can achieve their vision.

b) Study the provided data and calculate the cost of the computer set.