

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



AITEL JOINT MOCKS ASSESSMENTS 2026

Uganda Advanced Certificate of Education

ENTREPRENEURSHIP
EDUCATION
PAPER 1

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

Mama runs a small business bakery in Mukono City that supplies bread and pastries to schools and local shops. She started 3 years ago with one oven and has been growing slowly. The prices of flour and sugar have increased due to high taxes charged on them, and this has disrupted production levels. She recently applied for a loan to buy a second oven, but bank interest rates are very high. There are frequent power outages, and the roadways to village areas for the local market are impassable. Recently, the district officials issued a tender to Mama's Bakery to supply bakery products to all government schools.

The proprietor decided to introduce automated machines and computer-based systems into the production process. Workers are now worried because they lack the knowledge to run automated machines. Supervisors openly express dissatisfaction, claiming that their views were ignored during the introduction of the new systems. Attendance records showed increased cases of lateness and dodging of work since the inception of these new practices.

Tasks:

- a) Advise the government on the economic factors it can put in place to promote Mama's Bakery.
- b) Suggest appropriate measures the management of Mama's Bakery can adopt to improve the situation and ensure the smooth implementation of new practices.

Item 2

A group of unemployed youth in Mateete, Wakiso District, have formed a community club called "Green Future Youth Club." Their goal is to create sources of income and address community problems. After carrying out community outreach and surveys, they identified major environmental challenges in their area, which include:

- i. Environmental pollution caused by carelessly discarded plastic bottles, polythene bags (*kavera*), paper boxes, and old car tires that block drainage channels.
- ii. Unemployment among the youth due to a lack of capital and business skills.

The youth want to solve both problems by setting up sustainable businesses that recycle the identified waste materials. However, they face challenges such as a lack of funds and guidance.

Tasks:

- Evaluate the available waste materials and guide the youth on possible sustainable businesses they can start.
- Prepare a practical plan that will enable the youth to lobby for funds from the government and other stakeholders.

Section B

Choose one item from this section

Item 3

Linda owns a small juice processing business with 2 employees who earn UGX 8,400,000 annually each. This means that they fall under the 4th income bracket, as indicated below:

Income Bracket Per Month	Tax Rate
UGX 410,000 per month and above	UGX 25,000 + 30% of the amount exceeding UGX 410,000

Linda has defaulted on taxes for 2 years, and URA is claiming arrears. Last week, heavy rain caused flooding near the factory; water entered the production area and damaged almost all the products, yet she has no insurance cover for such related business risks. She has invited you for technical advice.

Tasks:

- Compute Linda's income tax to be submitted to URA.
- Guide her on the procedures to acquire an insurance cover.

Item 4

Amaro runs a clothing boutique in Kyengera with 6 employees. For the past 2 years, sales have been good, but she has not registered the business with the Uganda Revenue Authority (URA) and has never filed tax returns. She keeps sales records informally in a notebook and pays her workers in cash. Recently, the URA sent her a notice to register and pay outstanding taxes and interest.

Amaro has also noticed that suppliers are no longer interested in offering credit facilities to her business since she has no Tax Clearance Certificate. Furthermore, the URA frequently threatens to close Amaro's boutique and confiscate her property over

tax defaulting. However, Amaro seems not to be knowledgeable or aware of the consequences of her actions.

Amaro plans to expand her business, but it needs extra finance, which can be raised by issuing shares. Amaro needs guidance about the right players to link her up to the stock exchange market, but she is failing to trace them.

Tasks:

- a) Present the consequences Amaro's business will face if she continues with her actions.
- b) Inform Amaro about the key players that can link her business to the stock exchange market.

END