

845/1

Entrepreneurship Education

Paper 1

Assessment, 2025

2½ hours



ALLIANCE JOINT EXAMINATIONS BOARD (AJEB)

Uganda Certificate of Education

Entrepreneurship Education

Paper 1

2 hours 30 minutes

INSTRUCTIONS TO CANDIDATES

- This paper consists of **Sections A and B**. It has **five** examination items.
- **Section A** has **three** compulsory items.
- Answer **one** item from **Section B**.
- Answer **four** examination items in all.
- Any additional item(s) answered will **not** be scored.
- All answers must be written in the answer booklet(s) provided.

SECTION A

(Answer all items in this section.)

Item 1

Scenario:

Kato owns a small plot of land near a busy market in Kampala. He has saved UGX 3,500,000 and wants to start a business but is unsure of the best venture to undertake. The area has high foot traffic, and many people complain about the lack of affordable, ready-to-eat food.

Task:

- (a) Recommend a viable business idea for Kato and justify your choice. *(4 scores)*
- (b) Prepare a simple budget for starting the business, including estimated costs for equipment, supplies, and initial stock. *(6 scores)*
- (c) Outline the steps Kato should follow to legally register his business in Uganda. *(6 scores)*

Item 2

Scenario:

Nalongo runs a small salon in her village. She employs three workers, but there are constant disagreements over roles, such as washing hair, cutting, styling, and handling payments. The salon has only two chairs and one dryer, causing delays when many customers arrive. Some customers complain that their hair is not done as requested, and others have stopped coming due to long waiting times. Nalongo wants to expand but doesn't know where to buy affordable equipment.

Task:

- (a) Identify **three** entrepreneurial qualities Nalongo demonstrates. *(3 scores)*
- (b) Propose **four** practical solutions to address the challenges in her business. *(8 scores)*
- (c) Suggest **two** reliable sources where Nalongo can purchase quality salon equipment at a reasonable price. *(5 scores)*

Item 3

Scenario:

Ahmed operates a small hardware shop in a trading center. He employs two workers who work from 7:00 am to 8:00 pm daily, earning UGX 2,000 per day without contracts. The local authorities have warned him about unpaid taxes, but Ahmed is unaware of which taxes apply to his business. Customers often return faulty items, claiming they were sold substandard goods. Recently, a flood damaged some of his stock, and his uninsured delivery motorcycle was stolen. Ahmed is considering closing the business.

Task:

- (a) Explain **three** negative effects of Ahmed's current business practices. (6 scores)
- (b) Advise Ahmed on how to solve **four** of the challenges mentioned in the scenario. (10 scores)

SECTION B

(Answer one item from this section.)

Item 4

Scenario:

Grace runs a poultry farm but lacks proper bookkeeping skills. Her accountant resigned before preparing the financial statements for the year ending 31/12/2023. The ledger balances are as follows:

Item	UGX
Capital	8,000,000
Sales of poultry	12,500,000
Purchases of feed	4,800,000
Salaries	2,300,000

Item	UGX
Electricity	450,000
Poultry stock (1/1/2023)	1,200,000
Poultry stock (31/12/2023)	1,800,000
Bank loan	3,500,000
Equipment	2,600,000

Task:

Prepare for Grace:

(a) A **Trading, Profit, and Loss Account** for the year ended 31/12/2023. (10 scores)

(b) A **Balance Sheet** as at 31/12/2023. (6 scores)

Item 5

Scenario:

David owns a mobile money kiosk in a busy town. His cashier left before finalizing the financial records for 2023. The available ledger balances are:

Item	UGX
Capital	5,000,000
Mobile money sales	7,200,000
Airtime purchases	3,100,000
Rent	1,800,000
Salaries	1,200,000
Cash at hand	1,500,000
Debtors	600,000
Creditors	900,000

Task:

- (a) Prepare a **Profit and Loss Account** for the year ended 31/12/2023. (8 scores)
- (b) Calculate the **net profit** and advise David on how to improve his business profitability. (8 scores)

END