

SCIENCESPARK FOUNDATION UGANDA

S.5 MID TERM 2 ASSESSMENT 2025

ENTREPRENEURSHIP EDUCATION

2 hours

INSTRUCTIONS

- This paper has four items.
- All items carry equal scores. Attempt any three items.
- Begin each item on fresh page.

ITEMS

1. Rising Sun Limited is a small business in Masaka City that manufactures hand-crafted wooden furniture, including chairs, tables, and cabinets. The company has been operational for five years and has recently seen an increase in demand for its products, especially the wooden chairs. Due to this growing demand, Rising Sun Limited is considering scaling up its production process. However, the company faces several challenges in making production decisions, including the availability of raw materials, labor skills, technological advancements, and cost considerations.

The company is trying to decide between the following options:

- (i) Increasing workforce: Hire additional skilled artisans to increase production capacity, which will add to labor costs.
- (ii) Investing in machinery: Purchase new automated machinery to reduce the reliance on manual labor and increase efficiency.
- (iii) Outsourcing raw materials: Consider sourcing higher-quality wood from international suppliers, which may improve the quality of the product but may also increase costs.

Task:

- (a) What features make up the company's entrepreneurial environment?
- (b) Advise the manufacturer on best activities that should be involved in creating final products.
- (c) Develop a company's vision statement, mission statement, Goals and objectives.

2. James Okello, a 24-year-old graduate from Makerere University with a degree in Computer Science, has been unemployed for 18 months despite applying for over 50 jobs. He lives in Gulu, Northern Uganda, where youth unemployment stands at 75%. James observes that many of his peers face similar challenges – educated but unable to find formal employment opportunities.

During his job search, James discovers alarming statistics:

- Uganda’s youth unemployment rate is 83%, among the highest globally
- Only 2% of university graduates start their own businesses
- 70% of Uganda’s population is under 30 years old
- The formal sector creates only 15,000 jobs annually while 400,000 youth enter the job market
- Northern Uganda has limited industrial development due to past conflicts
- Most youth lack entrepreneurial skills and startup capital

Frustrated but determined, James decides to organize a community meeting where he proposes creating a youth entrepreneurship hub. His vision is to transform unemployed graduates into job creators rather than job seekers. He plans to establish “Gulu Innovation Hub” – a center that will provide entrepreneurship education, mentorship, and startup support to young people in Northern Uganda.

At the community meeting, James meets:

- Mary Acheng – A bank manager interested in supporting youth initiatives
- Peter Opio – A successful local businessman who started with only UGX 500,000
- Dr. Sarah Lamwaka – A university lecturer passionate about entrepreneurship education
- Samuel Odongo – A government official from the Ministry of Trade

James realizes that his initiative could address Uganda’s youth unemployment crisis while contributing to the country’s economic development. However, he needs to understand entrepreneurship concepts better before implementing his vision.

Task

You are an entrepreneurship consultant hired to help James develop his understanding and implementation strategy. Using entrepreneurship concepts, address the following:

- (a) Identify and explain five traits of entrepreneurs that James possesses.
- (b) How can James’ ability to come up with innovative solutions to the needs of the community and marketing them successfully be improved?

(c) With examples, suggest any three major competencies required of James for the Hub's success.

3. Sarah Nakato, a 22-year-old university graduate from Kampala, has returned to her rural village in Kyotera District after completing her Bachelors degree. She observes that her community faces a severe water crisis – the nearest clean water source is 5 kilometers away, forcing women and children to walk long distances daily to fetch water. This problem affects over 3,000 people in five surrounding villages. During her research, Sarah discovers that:

- 40% of rural Ugandans lack access to clean water within 1km of their homes
- Water-related diseases account for 60% of illnesses in her district
- Women spend an average of 4 hours daily collecting water instead of engaging in income-generating activities
- The local government has limited budget for water infrastructure
- There are underground water sources that could be tapped

Sarah wants to start a business that addresses this water crisis while generating sustainable income for herself and creating employment for community members. Sarah is considering three potential business models:

Model A: Manufacturing and selling water purification tablets.

Model B: Drilling boreholes and charging user fees.

Model C: Operating a water delivery service using motorcycles.

TASK

You are Sarah's business consultant. Using your knowledge of business concepts, help Sarah develop her business idea by addressing the following:

- (a) Identify and explain THREE different sources of business ideas that Sarah could have used to identify this water crisis opportunity
- (b) Analyze FIVE factors that Sarah should consider when choosing between different water-related business ideas. For each factor, explain how it would influence her decision-making process.
- (c) Explain the process Sarah should follow to transform her business idea into a business opportunity. Include practical examples related to her water business in every step.
- (d) For each business model, state the type of:
 - (i) business
 - (ii) business opportunity.

4. PAULINE ELECTRONICS LTD is retail business that sells electronic devices and accessories in Mutukula, Uganda. The company's financial year ends on June 30, 2025. The following information has been extracted from the company's records:

Details	Dr	Cr
Sale		128,000
Purchases	90,000	
Returns	6,000	5,000
Carriage inwards	10,000	
Opening stock	28,000	
Rent	4,000	
Advertising	8,000	
Premises	122,000	
Machinery	75,000	
Debtors	18,000	
Creditors		31,000
Bank loan		60,000
Cash at hand	14,000	
Cash at bank	27,000	
Drawing	10,000	
Discount allowed	5,000	
Discount received		6,000
Commission receivable		20,000
Capital		190,000
Carriage outwards	8,000	

Salaries and wages were valued at shs 15,000 while closing stock at shs 48,000

Task

As the newly appointed accountant, you have been asked to prepare relevant financial statements to determine;

- whether company operations resulted in a net profit or net loss.
- financial position of company.

END