

ST. MARYS' KITENDE
Uganda Certificate of Education
RESOURCEFUL MOCK EXAMINATIONS 2020
COMMERCE
TIME: 2HOURS 30MINUTES

Instructions;

- *This paper consists of **two** Sections **A** and **B**.*
- *Answer **all** questions in **A** and any other **three** questions from Section **B**.*
- *All questions in Section B carry equal marks.*
- *You may **lose** marks for **untidy work**.*

SECTION A: (20 marks)

1. When a company is limited by guarantee, it means that
 - A. The shares sold by the company are guaranteed
 - B. The shareholder's liability is limited to the amount of capital contributed to the company.
 - C. Each shareholder commits to pay a fixed sum of money to a company in case of debts.
 - D. Shareholders can sell their shares to the public to pay the company debt.
2. Identify the order in which a savings bank account may be opened
 - A. Deposit money, account number, passbook
 - B. Account number, deposit money, passbook
 - C. Identification, application, account number
 - D. Application, identification, account number
3. A proforma invoice may be used under the following circumstances, except
 - A. When orders are very small
 - B. When dealing directly with a customer
 - C. When the final price is uncertain
 - D. Where goods are sold on credit
4. Possession utility can be made possible by an 'aid to trade' called
 - A. Transport
 - B. Insurance
 - C. Ware housing
 - D. Communication

5. Identify the tax which is levied on loaded trucks transiting through Uganda to neighbouring countries
 - A. Octorio tax
 - B. Excise tax
 - C. Import tax
 - D. Road toll tax
6. Which one of the following documents is sent to a prospective buyer where goods inquired about do not have a standard price?
 - A. Quotation
 - B. Package shells
 - C. Proforma invoice
 - D. Invoice
7. "Colgate herbal tooth paste makes your teeth whiter and gives fresh breath", this is an example of a/an
 - A. Advertising slogan
 - B. advertising appeal
 - C. Market research message
 - D. Communication massage
8. Choose a set of documents that correct discrepancies in an invoice
 - A. Credit note, goods returned note
 - B. Debit note, credit note
 - C. Goods returned note, debit note
 - D. Debit note, proforma invoice
9. Trader has average stock at market price shs 500,000 and rate of stock turn 4 turns. Determine net sales
 - A. Shs 500,000
 - B. Shs 1,000,000
 - C. Shs 1,500,000
 - D. Shs 2,000,000
10. Identify a set that gives examples of stock jobber
 - A. stags, brokers, agents
 - B. Bulls, stags, brokers
 - C. Stags, bulls, bears
 - D. Brokers, agents, bears
11. A situation where existing shareholders are given priority to buy shares out of new issue is known as
 - A. Bonus issue
 - B. New issue
 - C. Cum-air issue
 - D. Right issue
12. The total of all current assets minus closing stock will give
 - A. Liquid capital
 - B. Working capital
 - C. Circulating capital
 - D. Floating capital
13. Identify two government entities directly responsible for the promotion of foreign investment Uganda
 - A. Uganda Revenue authority, Uganda Investment Authority
 - B. Uganda Investment authority, Capital market Authority
 - C. Kampala City Authority, Uganda Revenue Authority
 - D. Uganda Investment Authority , Kampala City Authority

14. Crane Bank ltd has been taken over by development finance company of Uganda (DFCU), this form of merging is known as
- A. Holding company B. Absorption
C. Vertical combination D. Complete merge
15. The major factor responsible for the concentration of industries in Kampala is
- A. Existence of raw materials B. Abundance of cheap labour
C. Nearness to ready market D. Existence of security
16. Name owners of the following business units respectively; company, partnership and a co-operative society.
- A. Shareholders, members, stakeholders
B. Stake holders, Partners, Members
C. Shareholders, Partners, Members
D. Partners, Members, shareholders
17. Insurance policies that safe guard customer from retirement from job/work are classified under
- A. Insurance B. Assurance
C. General insurance D. Non-insurance
18. A trader's net profit is 10% of his sales, while the gross profit is 20% of the cost of goods sold. If the cost of goods sold is shs 1,500,000, what would be his sales?
- A. Shs 1,000,000 B. Shs 1,200,000
C. Shs 1,500,000 D. shs 1,800,000
19. Choose a document that shows a list of the various goods carried by the ship.
- A. Bill of lading B. Ship manifest
C. Dock warrant D. Freight note
20. Which of the following forms of large scale retailing depends so much on extensive advertising through catalogues and brochures?
- A. Super markets B. Multiple shops
C. Departmental shops D. Mail order shops

SECTION B (80 marks)
Attempt any four questions.

21. a) Draw the structure of production. (12 marks)
- b) “**Kakira Sugar Works Ltd** grows sugar canes, processes and gets sugar and later distributes to wholesalers”. Describe the stages of production involved respectively. (8 marks)
22. a) Write brief features on each of the following large scale retailers
- i) Super markets
 - ii) Departmental stores
 - iii) Multiple shops (15 marks)
- b) Give advantages of large scale retailers. (5 marks)
3. a) Give 5 contents of each of the following documents used in formation of partnership;
- i) Partnership deed (5 marks)
 - ii) Partnership Act (5 marks)
- b) Explain 5 differences between private company and a Partnership. (10 marks)
4. a) Differentiate between the following;
- i) Personal selling and market research (4 marks)
 - ii) Branding and Packaging (4 marks)
- b) Explain six advantages of pipeline transport in trade. (12 marks)
5. a) Distinguish between the private sector and the public sector. (4 marks)
- b) Give four measures taken in each case by the following to promote consumer protection.
- i) Consumers (8 marks)
 - ii) Government (8 marks)
6. a) Explain five insurance policies applicable to a school. (10 marks)
- b) Explain factors considered before honouring a claim from the insured. (10 marks)
7. a) Distinguish between direct tax and indirect tax. (4 marks)
- b) Explain 8 reasons why the government levies taxes. (16 marks)

8. A trader had an average stock at selling price of shs 1,080,000 and the rate of turnover was 3 times. The average margin was 25% and the expenses were 10%.

Calculate;

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|-------------------|-----------|
| i) Sales | (4 marks) |
| ii) Cost of sales | (4 marks) |
| iii) Gross profit | (4 marks) |
| iv) Mark-up | (4 marks) |
| v) Net profit | (4 marks) |

END