

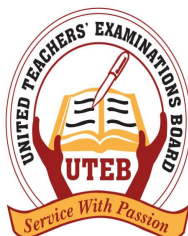
800/1

Commerce

Paper 1

Jul. /Aug. 2019

2 ½ Hours



JOINT MOCK EXAMINATIONS, 2019

Uganda Certificate of Education

COMMERCE

Paper 1

2 Hours 30 minutes

INSTRUCTIONS TO CANDIDATES:

- This paper consists of two sections, A and B.
- Answer all questions in section A and any four questions from section B.
- Any additional question(s) answered will not be marked.
- Answers to all questions must be written in the answer booklet provided.
- All questions in section B carry equal marks.
- You may lose marks for untidy work

SECTION A (20 MARKS)

Write the letter corresponding to the correct answer for each question in the answer booklet provided.

1. Which of the following insurance policies is compulsory for all vehicles
A. Comprehensive
B. Accident policy
C. Fidelity guarantee
D. Third party
2. Which one of the following is a set of direct services?
A. Building , teaching, nursing
B. Teaching, Building, insurance
C. Teaching , insurance , nursing
D. Insurance, farming, nursing
3. Which of the following statements is correct about Co-operatives?
A. Profits are shared according to participation
B. Members share profits equally
C. Decision making is according to the number of shares held.
D. The number of membership is limited to 50
4. A partner who contributes capital, shares profits and losses but does NOT take part in the day-to-day running of a business is a:
A. Limited partner
B. General partner
C. Quasi partner
D. Dormant partner
5. If a trader is given 20% trade discount and 5% cash discount for goods purchased at Sh.100,000/=, how much will he pay?
A. Sh. 75,000
B. Sh. 80,000
C. Sh. 76,000
D. Sh. 60,000
6. The documents that acknowledges settlement of debt is.
A. An order
B. An invoice
C. A statement of a account
D. A receipt
7. An example of business organizations that belong to public sector in Uganda is
A. Corporation
B. Limited companies
C. Marketing Boards
D. Co-operatives

14. A cheque is drawn in favour of Peter. What is peter?
A. Payee
B. Drawee
C. Drawer
D. Endorsee
15. Import trade is sometimes controlled because.
A. Protects growth of infant industries
B. Reduces government revenue
C. Creates employment in the exporting countries
D. Hinders standards of living in importing countries
16. Which of the following types of accounts is most suitable for a business.
A. Current account
B. Saving account
C. Fixed deposit account
D. Salary account
17. What is a closed indent? It is a document.....
A. Which specifies the country of origin of goods
B. Which informs the importer of the dates when the goods will be at the port
C. Where the importer simply sends the order to the agents
D. Where the importer names the manufacturer or supplier of the goods.
18. The efficiency of a business is indicated by its.
A. Rate of turn over
B. Gross profit
C. Sales
D. Net profit
19. Calculate the cost of goods sold from the following information
- Opening stock **Shs. 50,000**
- Purchases **Shs. 280,000**
- Closing stock **Shs. 40,000**

A. Shs. 330,000
B. Shs. 240,000
C. Shs. 370,000
D. Shs. 290,000
20. An arrangement where companies sell their products at an average price is called.
A. Consortium
B. Cartel
C. Merger
D. Trust

SECTION B (80 MARKS)

Answer any **four** questions from this section.

21. (a) Distinguish between demand and supply. (04 marks)
(b) What factors may influence producers to supply a given commodity? (16 marks)
22. (a) Why are small – scale retail businesses on the increase in Uganda? (12 marks)
(b) What are the disadvantages associated with small – scale retail business? (08 marks)
23. (a) Give reasons why there is need for the government to protect consumers? (10 marks)
(b) How can the government of Uganda protect consumers? (10 marks)
24. (a) Define containerization. (02 marks)
(b) What are the advantages and disadvantages of containerization? (18 marks)
25. (a) Explain the following as used in insurance.
(i) Re – insurance (02 marks)
(ii) Co – insurance (02 marks)
(iii) Surrender value (02 marks)
(iv) Contribution (02 marks)
(b) Explain six policies that can be acquired by the members of the public under accident department. (12 marks)
26. (a) Differentiate between a central bank and commercial banks. (08 marks)
(b) Explain six monetary tools used by the Bank of Uganda to regulate credit. (12 marks)
27. (a) Define denationalization. (02 marks)
(b) What are the advantages and disadvantages of denationalization? (18 marks)

28. (a) Distinguish between liquid capital and fixed capital. **(04 marks)**
- (b) The following records were extracted from the books of Nalongo traders association for the year ending 31st / 12 / 2018

Stock 01/01/2018	4,6000,000/=
Creditors	1,100,000/=
Debtors	3,000,000/=
Capital	8,000,000/=
Year purchases	3,720,000/=
Stock 31 st / 12 / 2018	1,600,000/=
Cash at hand	1,800,000/=
Return inwards	150,000/=
Expenses	1,080,000/=
Year sales	10,000,000/=
Return outwards	200,000/=

You are required to calculate;

- | | |
|-------------------------|-------------------|
| (i) Cost of goods sold. | (03 marks) |
| (ii) Average stock | (03 marks) |
| (iii) Markup | (03 marks) |
| (iv) Rate of turn over. | (04 marks) |
| (v) Profit margin | (03 marks) |

End