800/1

Commerce

Paper 1

Jul. /Aug. 2019

2 1/2 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.

	Which of the following incomes policies is some	ouleem, for all vehicles	
1.	Which of the following insurance policies is comp		
	A. Comprehensive	C. Fidelity guarantee	
	B. Accident policy	D. Third party	
2.	Which one of the following is a set of direct servi	ces?	
	A. Building , teaching, nursing	C. Teaching , insurance , nursing	
	B. Teaching, Building, insurance	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	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	C. Quasi partner	
	B. General 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	C. Sh. 76,000	
	B. Sh. 80,000	D. Sh. 60,000	
6.	The documents that acknowledges settlement of debt is.		
	A. An order	C. A statement of a account	
	B. An invoice	D. A receipt	
7.	An example of business organizations that belon	g to public sector in Uganda is	
	A. Corporation	C. Marketing Boards	
	B. Limited companies	D. Co-operatives	

0.	riow will the consumer react when there is	decrease in the price of a commodity	
	A. Increase quantity supplied	C. Decrease quantity demanded	
	B. Increase quantity demanded	D. Decrease quantity supplied	
9.	Which one of the following organization	is responsible for consumer protection in	
	Uganda?		
	A. Uganda revenue authority		
	B. Uganda human rights association		
	C. Uganda investment authority		
	D. Uganda bureau of standards		
10.	Which one of the following is true of marke	ting boards	
	A. Only sale to local market		
	B. Buy from farmers through cooperative s	societies	
	C. Only sale for foreign market		
	D. Buy good directly from small scale farm	ners.	
11.	A business is said to be a solvent when it h	าลร	
	A. More assets than liabilities		
	B. More liabilities than assets		
	C. Equal amount of assets and liabilities		
	D. More fixed assets than current liabilities	3	
12.	A business man had an average stock of	Shs. 12,000 and his rate stock turn was 10.	
	What was the cost of the goods sold		
	A. Shs. 120,000	C. Shs. 11990	
	B. Shs. 1200	D. Shs. 12010	
13.	Loss leaders are used by large scale retail	ers to	
	A. Keep the prices as low as possible		
	B. Stock more goods in the shelves		
	C. Dismiss unfaithful shop attendants		
	D. Increase sales		
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14.	A cheque is drawn in favour of Peter. What is peter?			
	A. Payee	C. Drawer		
	B. Drawee	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 count	tries		
16.	Which of the following types of accounts is most suitable for a business.			
	A. Current account	C. Fixed deposit account		
	B. Saving 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 thegoods.			
18.	The efficiency of a business is indicated by its.			
	A. Rate of turn over	C. Sales		
	B. Gross profit	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	C. Shs. 370,000		
	B. Shs. 240,000	D. Shs. 290,000		
20.	An arrangement where companies sell their products at an average price is called.			
	A. Consortium	C. Merger		
	B. Cartel	D. Trust		

SECTION B (80 MARKS)

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

21.	(a) (b)	Distinguish between demand and supply. What factors may influence producers to supply a given commodity?	(04 marks) ? (16 marks)
22.	(a) (b)	Why are small – scale retail businesses on the increase in Uganda? What are the disadvantages associated with small – scale retail bus	•
23.	(a)	Give reasons why there is need for the government to protect const	umers?
	(b)	How can the government of Uganda protect consumers?	(10 marks) (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(iv) Contribution	(02 marks) (02 marks)
	(b)	Explain six policies that can be acquired by the members of the accident department.	public under (12 marks)
26.	(a) (b)	Differentiate between a central bank and commercial banks. Explain six monetary tools used by the Bank of Uganda to regulate	(08 marks) credit. (12 marks)
27.	(a) (b)	Define denationalization. What are the advantages and disadvantages of denationalization?	(02 marks)
			(18 marks)
		© UTEB 2019 Joint Mock Examinations	Turn Over

- 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 31st / 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