

EXTERNAL MOCK EXAMINATIONS - 2019
UGANDA CERTIFICATE OF EDUCATION
COMMERCE
PAPER 1
Time: 2 Hours

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 sheets provided*
- *All questions in Section **B** carry equal marks*
- *You may lose marks for untidy work*

SECTION A (20 MARKS)

1. The reason why people exchange goods and services is
 - A. Preferring what is produced by others.
 - B. Over production
 - C. To get money
 - D. Scarcity in production
2. In a free market economy, prices are determined by;
 - A. Forces of demand and supply
 - B. Bargaining/ haggling
 - C. Resale price maintenance
 - D. Sale by Auction.
3. Delocalisation of industries is a process of
 - A. Forces industries are nationalised
 - B. All industries in the area are removed and reallocated
 - C. Industries are commercialised
 - D. Spreading out industries in different parts of the country.
4. The chief demerit of mail order business is;
 - A. Service are not widely spread.
 - B. Have no shops but warehouses
 - C. Do extensive advertising which is costly
 - D. Do not sell goods across the counter.
5. The retailer expects to earn a profit margin of $33\frac{1}{3}$ % the cost price of his goods is shs 2,00,000 . What is his gross profit?
 - A. Shs 3,000,000
 - B. Shs 1,000,000
 - C. Shs 4,000,000
 - D. Shs 6,666,667
6. Consumer behaviours as used in commerce means;
 - A. How consumers react to market conditions
 - B. The way consumers advance
 - C. The way consumers approach sellers
 - D. The good response of consumers in paying debts
7. One of the reasons why countries are involved in trading BLOC is:
 - A. To restrict the flow of trade between countries which are members.
 - B. To publish imports and exports statistics
 - C. To protect industries in members countries from competition from other countries.
 - D. To generate free trade between member countries in a particular area.

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SECTION B (80 MARKS)

- 21.(a) Describe the importance of levels of production. (10 mks)
(b) Explain any five methods used by traders to determine prices of commodities in the market. (10 mks)
- 22.(a) State six contents of a delivery note as a business document. (06 mks)
(b) Describe seven benefits of documentation in business transactions. (04 mks)
23. (a) What is a consumer co-operative society? (02 mks)
(b) Describe the services of saving and credit co-operative societies. (08 mks)
(c) What barriers do thrift and loan co-operatives face? (10 mks)
- 24.(a) Give four features in each case of the following bank accounts.
(i) Current Account (04 mks)
(ii) Savings Account (04 mks)
(iii) Fixed deposit Account (04 mks)
(b) Explain any four means of payment used by commercial banks. (08 mks)
25. (a) Explain any five forms of direct taxes in Uganda. (10 mks)
(b) Identify any five challenges faced by tax authorities in Uganda. (10 mks)
- 26.(a) Distinguish between "Market Research" and "Personal Selling" (04 mks)
(b) Describe five benefits of Personal selling (10 mks)
(c) State six reasons for carrying out market research in business. (06 mks)
- 27.(a) Give four differences between "Transport " and "Communication" (08 mks)
(b) What problems are faced by the transport industry in your country? 12 mks)
- 28.(a) Distinguish between the following terms:
(i) Quantity discount and Trade discount (04 mks)
(ii) Rate of Stock turn and Turnover (04 mks)
(b) The following financial information was extracted from the books of people power Enterprises for the year ended 31st December 2018.

Details	shs
Cost of sales	16,000,000
Closing stock	4,800,000
Net purchases	15,200,000
Gross profit	6,400,000
Net profit	5,000,000

Determine:

- (i) Opening stock (03 mks)
(ii) Turnover (02 mks)
(iii) Average stock (02 mks)
(iv) Rate of stock Turn (03 mks)
(v) Expenses (02 mks)

END