UGANDA CERTIFICATE OF EDUCATION

MOCK EXAMINATIONS

800/1: COMMERCE

TIME: 2 ¹/₂ HOURS

Instructions to candidates:

Attempt all questions in Section and **four** from section B.

1.	The following are advantages of sole tra A: flexibility. C: makes quick decisions.		ade except B: limited liability. D: enjoys all profits a	alone.		
2.	The factor of prod A: land	duction that takes up ri B: labour	sks in business is calle C: capital	d D: entrepreneurship		
3.	3. A trading company insured its property for the same risk in more than one insurance This is known as					
	A: over insurance C: co-insurance		B: re-insurance D: under insurance			
	C. co insurance		D. under möuranee			
4. Given that mark up is 25%, use the relationship between mark up a margin.				up and margin to calculate the		
	A: 10%	B: 15%	C: 20%	D: 25%		
5.	A ship that follows no regular route and no fixed time table is calledA: linerB: trampC: streamerD: shipper					
6.	The number of tin A: average stock. C: rate of turnove	-	s its stock in a trading B: turnover. D: stock taking.	period is called		
			Di stoon taning.			
7.	-	•		0 . How much will a consumer pay		
	after enjoying a tr A: $180,000/=$	rade discount of 10% a B: $171,000/=$	and cash discount of 5° C: 190,000/=			
	A. 100,000/-	D . 171,000/-	C. 190,000/-	D. 170,000		
8.			icate for a company is			
	A: Memorandum		B: Articles of associa			
9	C: Certificate of t Bata shoe shops a		D: Certificate of inco	prporation.		
7.	A: tied shops	are examples of	B: discount stores			
	C: supermarkets		D: departmental store	es		
10. Lwanga bought goods at shs 120,000/= and sold them at shs 160,000/=. His margin was						

10. Lwanga bought goods at shs 120,000/= and sold them at shs 160,000/=. His margin was A: 33.3%
 B: 75%
 C: 25%
 D: 34%

1 1		to B: make profit for government. D: provide essential services to the public.			
12. A business having more A: bankrupt	liabilities than as B: insolvent	ssets is said to be C: solvent	D: poor		
13. The following are non-t A: trade embargo	ariff barriers amor B: import quota	U 1	ntries except C: currency devaluation D: import tax		
14. A customer becomes the A: credit purchase.C: hire purchase.	e owner of a comr	B: cash purchase.	after the down payment. This is true forB: cash purchase.D: deffered payment.		
15. Which of the following in an invoice? A: F.O.B	abbreviations indi B: C & F	icates that the seller reser C: E & O	erves the right to correct erro D. E D: C.I.F	rs	
16. To find out customers' A: sales promotion	opinions about a c B: market resea		-		
17. A warehouse where good A: producer's warehouse C: bonded warehouse		B: retailer's ware	ng import taxes is called B: retailer's warehouse D: wholesaler's warehouse		
18. A jobber who deals in n A: Bear	ew shares issued i B: Bull	is known as C: Stag	D: Broker		
19. If demand increases and A: remain the same	d supply remains t B: increase	the same, price will C: decrease	D: fluctuate.		
20. When Airtel Uganda Lta A: Cartel	d took over Warid B: Absorption	d Telcom (U) Ltd , this is C: Consortium	s called D: Franchising		

SECTION B: (80 MARKS)

 21. (a) What do you understand by the term utility as used in commerce? (b) Describe the different forms of utility. (c) State and explain the five factors of production. 		
 22. (a) Differentiate between demand and supply. (b) Under what circumstances may a producer of a given commodity decide to supply that commodity? 	(10 marks) (04 marks) y more of (16 marks)	

(i) Direct distribution (ii) medium/retail d	istribution channel e distribution channel	(02 marks) (02 marks) (02 marks) (02 marks)
(b) What are the factors	considered when choosing a channel of distribution?	(12 marks)
24. (a) Briefly explain the five forms of restrictions in international trade.(b) What are the challenges faced by traders involved in international trade?		
25. (a) Describe the factors considered when choosing a medium of communication.(b) What are the barriers to effective communication?		
26. (a) What is a tax?(b) Why does the government impose taxes?		
27. (a) Explain the different methods used to collect data for conducting market research. ((b) Give the importance of carrying out market research (
28. The following informat Fixed assets Current assets Long term liabilities Current liabilities	ion was extracted from the books of a trader. Shs 2,500,000 Shs 1,000,000 Shs 2,000,000 shs 500,000	
Calculate: (a) Capital owned (b) Working capital (c) Capital employed (ii) Given that rate of tu 2,000,000. Calculate	rnover is two times; average stock at cost is shs 600,000, tu	(03 marks) (03 marks) (04 marks) rnover is shs
(a) Cost of sales		(04 marks)

(a) Cost of sales	(04 marks)
(b) Gross profit	(03 marks)
(c) Mark- up	(03 marks)

END