


**KINGS COLLEGE BUDO  
HOLIDAY WORK 2020  
800/1 COMMERCE**

***Instructions***

- *Answer all questions*
  - *Hand in on arrival next term*
  - *Put a circle  on the correct alternative*
1. The following are examples of after sales services **except**
    - A. Repair services offered to customers by sellers
    - B. Maintenance services provided by the sellers
    - C. Self service offered by large scale retailers
    - D. Transportation of purchased goods by the seller to the customer's premises.
  2. the contract between the insured and the insurer is called
    - A. cover note
    - B. insurance policy
    - C. charter party
    - D. proposal form
  3. Who determines the price in resale price maintenance?
    - A. retailers
    - B. consumers
    - C. wholesalers
    - D. manufacturers
  4. Uganda exports less goods to Kenya than she imports from her, this means that Uganda's
    - A. balance of trade is favourable
    - B. balance of payment is unfavourable
    - C. balance of trade is unfavourable
    - D. balance of payment is favourable
  5. If a trader is given 20% trade discount and 5% cash discount for goods purchased at shs.100,000, how much will he/she pay?
    - A. shs 75,000
    - B. shs. 124,000
    - C. shs. 76,000
    - D. shs. 60,000
  6. Multi-lateral trade refers to trade
    - A. between two countries
    - B. among many countries
    - C. in a variety of goods
    - D. in both goods and services
  7. An order by the importer placed with an agent to purchase goods from a named exporter is
    - A. bill of lading
    - B. letter of credit
    - C. Proforma invoice
    - D. closed indent
  8. An agent who guarantees that his principal will receive payment for the goods he has sold on his behalf is called
    - A. broker

- B. factor
  - C. dealer
  - D. del credel
9. The following services are rendered by commercial bank except
    - A. giving loans to customers
    - B. accepting deposits for custody
    - C. Opening letters of credit to intending importer.
    - D. replacing old bank notes in circulation.
  10. Which of the following is not a means by which central banks control credit?
    - A. calling special deposits
    - B. increasing or decreasing cash ratio
    - C. selective control
    - D. Accepting deposits from the people.
  11. A firm of trade where a country re-exports goods from another country is called...
    - A. Barter trade
    - B. Entrepot
    - C. Antarly
    - D. Internal trade.
  12. The unit of carriage as an element of transport involves the
    - A. vessels used to transport goods and services
    - B. Channel on which the different vessels move.
    - C. Power which drives the vessels to transfer goods and services
    - D. Place where goods are loaded and off-loaded.
  13. A document which contains an illustration and details of goods offered for sale is called
    - a
    - E. tender
    - F. price list.
    - G. Catalogue
    - H. Quotation
  14. The principle of insurance which aims at restoring the insured to the original financial position is known as
    - A. Subrogation
    - B. Utmost good faith
    - C. indemnity
    - D. Insurable interest
  15. A cheque whose date of payment has passed is called
    - A. open cheque
    - B. blank cheque
    - C. bearer cheque
    - D. stale cheque
  16. A cheque paid across the counter is called
    - A. open cheque
    - B. blank cheque
    - C. crossed cheque
    - D. Counter foil
  17. A cheque whose payment has to go through the account of the payee is called
    - A. open cheque
    - B. blank cheque
    - C. crossed cheque
    - D. bearer cheque
  18. A credit transaction is one where payment

- A. is done before goods and services are delivered
  - B. for goods and services is done at a later date.
  - C. is higher than the value of goods and services purchased.
  - D. and transfer of goods takes place at the same time.
19. A trader purchased goods worth shs 2,000,000 and was allowed 20% trade discount. Calculate how much was paid.
- A. shs1,520,000
  - B. shs 1,600,000
  - C. shs1,500,000
  - D. shs 1,700,000
20. A debenture where some property is pledged against is called
- A. irredeemable debenture
  - B. naked debenture
  - C. redeemable debenture
  - D. mortgaged debenture
21. Which one of the following insurance policies is compulsory for all vehicles?
- A. comprehensive
  - B. accident policy
  - C. fidelity guarantee
  - D. Third party.
22. Contents of a partnership deed include the following except
- A. Names and addresses of partners.
  - B. name and location of the business
  - C. amount of capital contributed by each partner.
  - D. how to deal with partners family affairs
23. A limited partner
- A. Plays an active role in the running of the business.
  - B. must have his or her name registered with the Registrar of Companies.
  - C. Does not share in the payment of any liabilities of the business.
  - D. enters into contracts on behalf of the firm.
24. "Omo removes dirt and stains which ordinary powders leave behind" This statement is an example of
- A. Persuasive advertising
  - B. Direct advertising
  - C. Informative advertising
  - D. Indirect advertising
25. A form of advertising that involves use of usable items is called
- A. Magazine advertizing
  - B. Radio advertising
  - C. Specialty advertising
  - D. Trade show
26. The service provided by the post office to visiting traders to receive their letters for a particular period is called
- A. Speed post
  - B. Business reply coupon
  - C. Poste restante
  - D. Telegraphic address

27. A telephone communication system in an organization that is not linked to the post office is called
- A. STD
  - B. PBX
  - C. EMS
  - D. PMBX
28. A type of advertising which target specific group of people is called
- A. Indirect advertising
  - B. Persuasive advertising
  - C. Informative advertising
  - D. Direct advertising
29. Mark-up of a business is the
- A. Ration of net profit to sales
  - B. Difference between cost of sales and goods available for sale
  - C. Gross profit expressed as percentage of selling price
  - D. Gross profit expressed as percentage of cost price
30. The excess of cost price over selling price is termed as
- A. Gross profit
  - B. Net profit
  - C. Gross profit
  - D. Net loss
31. The following are ware houses that keep goods whose revenue is cleared **except**
- A. Wholesalers ware house
  - B. Public ware house
  - C. Bonded ware house
  - D. Readier ware house
32. Which one of the following influence the consumers decision to by
- A. Cost of production
  - B. Level of technology
  - C. Number of producers
  - D. Fashion and preference
33. Tertiary production includes
- A. Trading and hunting
  - B. Retail trade and teaching
  - C. Construction and oil refining
  - D. Wholesale and farming
34. The reduction of prices which result from large purchases is known as
- A. Price support
  - B. Resale price maintenance
  - C. Cash discount
  - D. Trade discount
35. Wholesaler offers the following services to the manufacturer except
- A. Giving credit facilities
  - B. Buying goods in bulk

- C. Prompt cash payment
  - D. Advertising the goods
36. The kind of retail trade with branches in different parts of the country is
- A. Super markets
  - B. Departmental shops
  - C. Chain shops
  - D. Hyper markets
37. The interest charged by a central bank on any short term loans to commercial banks is called
- A. Bank overdraft
  - B. Interest rate
  - C. Bank rate
  - D. Bank draft
38. Which of the following is a feature of cash and carry wholesalers
- A. Offers self service facilities
  - B. Extends credit facilities
  - C. Provides delivery facilities
  - D. Sells goods in bulk
39. Mining is an example of
- A. Tertiary production
  - B. Direct production
  - C. Secondary production
  - D. Primary production
40. A diesel engine in a trailer providing public transport falls under which element of transport
- A. Unit of carriage
  - B. Method of propulsion
  - C. Terminal
  - D. The way
41. What are tramp steamers?
- A. ships which follow a regular time table at regular intervals and following.
  - B. ships which carry 75% of cargo.
  - C. ships which do not follow a regular route time table.
  - D. Ships which carry special commodities
42. Which one of the following is not one of the functions of Bank of Uganda
- A. Creating credit by lending individual traders
  - B. Controlling credit
  - C. Issuing currency
  - D. Controlling commercial banks
43. The cost of goods in an invoice was shs 520,000. How much would a consumer pay if he was allowed 8% trade discount and 10% cash discount
- A. Shs89,440
  - B. Shs426,400
  - C. Shs430,560
  - D. Shs609,440
44. The difference between what we pay for the visible imports and what we receive from the visible exports is called
- A. Terms of trade

- B. Balance of payment
  - C. Balance of trade
  - D. Exchange rate
45. What is the working capital of a business?
- A. It is the excess of current assets over current liabilities
  - B. Assets minus liabilities
  - C. Fixed assets minus long term liabilities
  - D. When current liabilities exceed current assets
46. A form of trade where a country re-exports goods from another country is called
- A. Barter trade
  - B. Entrepot trade
  - C. Autarky
  - D. Bilateral trade
47. A situation where business expenses exceed gross profit is called
- A. Gross loss
  - B. Net profit
  - C. Bad debt
  - D. Net loss
48. If import prices rise faster than export prices a country is said to be experiencing unfavourable
- A. Balance of trade
  - B. Terms of trade
  - C. Terms of payment
  - D. Balance of payment
49. Nyakatos turnover during 2016 was shs 160,000 if her margin was 20%, what was the cost of sales during the year
- A. Shs 32,000
  - B. Shs 110,000
  - C. Shs 20,000
  - D. Shs 128,000
50. Given a markup of 40% and the cost of sales of shs 2,800,000 the gross profit will be
- A. Shs 800,000
  - B. Shs 1,920,000
  - C. Shs 1,120,000
  - D. Shs 1,680,000

END

### Next

1. a). State four benefits of business calculations  
b). Trade's books of accounts had the following records

	shs
➤ Stock on 1/1/2012	200,000
➤ Purchases	480,000
➤ Sales	820,000
➤ Returns inwards	50,000
➤ Stock on 31/12/2012	100,000

### Calculate

- a) *Cost of sales*  
b) *Turnover*  
c) *Gross profit*  
d) *Gross profit margin*

2. The following records were extracted from the books of a trader as at 31/12/2011

	shs
➤ Stock on 1/1/201	11,400,000
➤ Purchases	92,000,000
➤ Sales	106,940,000
➤ Returns outwards	3,400,000
➤ Returns inwards	1,600,000
➤ Overheads	13,400,000
➤ Stock on 31/12/2011	17,400,000

### Calculate

- a) *Cost of sales*  
b) *Net sales*  
c) *Markup at cost*  
d) *Net profit*  
e) *Rate of stock turn*

3. The following information was extracted from the books of accounts of a trader

	shs
➤ Capital	1,000,000
➤ Total cost of sales	960,000
➤ Average markup	20%
➤ Expenses	80,000

### Calculate

- a) *Turnover*  
b) *Gross profit*  
c) *Net profit*  
d) *Margin*  
e) *Rate of return on capital*

4. a).Define the following terms used in commerce

i. *Liabilities*

ii. *Stock taking*

b).Given the following information

	shs
➤ Stock 1/1/2009	43,430,000
➤ Net purchases	312,290,000
➤ Markup	25%
➤ Stock 31/12/2009	26,000,000
➤ Expenses for the year	35,850,000

**Calculate**

a) *Average stock*

b) *Rate of stock turn*

c) *Gross profit*

d) *Net profit*

**END**