

KING'S COLLEGE – BUDDO
UGANDA CERTIFICATE OF EDUCATION
INTERNAL MOCK EXAMINATIONS 2020
COMMERCE
TIME:2 HOURS : 30 MINUTES

Instructions.

- i) Section A and Question 21 in section B are compulsory.
- ii) Answer four questions from Section B including question 21.
- iii) Answers to all questions must be written in the answer booklets or Answer sheets provided.
- iv) Any additional question(s) answered shall not be marked.
- v) You may lose marks for presenting untidy work.

SECTION A: (20 MARKS)

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

- 1 Which one of the following is a set of secondary occupations?
A: Food processing, Metal fabrication and Quarry work.
B: Metal fabrication, Mining, Grain milling.
C: Textile milling, Metal fabrication and Food processing.
D: Road construction, Mining and Food processing.
- 2 The capital resources used on an agricultural farm include the following **except**
A: tractors
B: farm supervisor
C: generator
D: spraying machines
- 3 Which factor price is paid for the use of land in the production process?
A: Interest
B: Wages
C: Rent
D: Profit
- 4 Which business unit would be the most appropriate for five specialised doctors who intend to start a business
A: Private limited company.
B: Public limited company.
C: Partnership.
D: Company limited by share.
- 5 The practice of giving manufactured goods distinctive trade names by which they are marketed is called:

- [illegible]

- C: Cartel D: Conglomerate
- 14 Which document should an importer use to oblige his agent abroad to obtain goods from a specified manufacturer?
 A: Open indent B: Certificate of origin
 C: Bill of landing D: Closed indent
- 15 Which one of the following is the safest and fastest means of money remittance offered by commercial banks?
 A: Cash B: E.F.T C: Bill of landing D: Money gram
- 16 A shipping company based in Japan delivered cargo at the port of Mombasa destined for Uganda.
 Which document does the Ugandan importer use to claim cargo at the Port of discharge?
 A: Charter party B: Letter of credit
 C: Bill of landing D: Ship manifest
- 17 A bill of exchange payable at a stated future date is called.
 A: Retired bill B: Usance bill
 C: Sight bill D: Accommodation bill
- 18 Which of the following documents marks the end of a commercial credit transaction ?
 A: Invoice B: Statement of account
 C: Receipt D: Goods returned note
- 19 A trader paid shs 468,000 for a consignment of goods after taking advantage of a trade discount of 20% and a cash discount 2 1/2%. Calculate the value on the price list.
 A: shs 480,000 B: shs 120,000
 C: shs 600,000 D: shs 588,000
- 20 Which business organization has a feature of one man one vote?
 A: Sole proprietorship B: Co-operative society
 C: Partnership D: Public corporation

SECTION B: 80 MARKS

- 21a) Explain any five (5) roles played by the entrepreneur in the production process (10 marks)
- b) What benefits does a farmer enjoy by producing only one crop on his/her farm? (10 marks)

- 22a) Give any five differences between Home trade and Foreign trade (10marks)
- b) What measures are being employed by the government of Uganda to promote trade with other countries? (10 marks)
- 23a) Why do traders advertise their products? (4 marks)
- b) Apart from advertising, explain any other eight(8) methods employed by traders to increase sales in their businesses (16marks)
- 24a) Explain the four types of cheques (8 marks)
- b) Under what circumstances may a bank honor a cheque? (12 marks)
- 25a) Give any four similarities between private limited companies and public limited companies (8 marks)
- b) What are the advantages of sole proprietorships over other forms of businesses? (12 marks)
- 26a) Of what benefits is insurance to traders? (10 marks)
- b) Explain any five insurance policies a school owner can take on? (10marks)
- 27a) Why do consumers need protection? (6 marks)
- b) Explain the different ways of protecting consumers (14 marks)
- 28a) Distinguish between a Balance sheet and an Income statement (4 marks)
- b) The following balances were available in records of BAKIDAWO TRADERS for the year ended 31/12/2018.
- | | |
|---------------------|----------------|
| Stock on 1/1/2018 | shs. 800,000 |
| Total purchases | shs. 4,250,000 |
| Sales for the year | shs. 5,980,000 |
| Returns inwards | shs. 280,000 |
| Returns outwards | shs. 250,000 |
| Stock on 31/12/2018 | shs. 600,000 |
- Expenses for the year 10% of Net purchases
- Calculate:
- Cost of sales(4marks)
 - Gross profit (4 marks)
 - Net sales (4 marks)
 - Rate of stock turn (4 marks)

END.

