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 Bare 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 specilised doctors who intent 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:

A: blending B: preparing C: branding D: profit

6 Before setting up a retail unit, one should consider the following except;

A:size of the market. B: profitability of suppliers.

C: pricing policy. D: shop lay out.

7 Identify the most appropriate advertising medium for a company which produces and sells Dental Surgery/Equipment?

A: Radio B: Newspapers

C: Trade fairs D: Specialized journal

8 A trader bought goods subjected to VAT of 18% at shs. 900,000. If all the goods were sold at shs.1,400,000. Calculate his VAT liability.

A: shs.90,000 B: shs.162,000 C: shs. 252,000 D: shs. 414,000

9 A business enterprise whose existence is recognized by the law to be separate from its owners is called

A: Sole proprietorship. B: Partnership.

C: Co-operative society. D: Joint stock company.

10 Which one of the following items is stated in the memorandum of Association of a company?

A: Methods of voting at company meetings

B: The liability of shareholders

C: The powers and rights of shareholders

D: The procedure of appointing company auditors,

11 A company sold 10,000 ordinary shares each at a per value of shs 5,000. The shareholders were asked to pay shs 3,000 per shares. Calculate the Called up capital share capital

A: shs 50,000,0000 B: shs 30,000,000 C: shs 20,000,0000 D: shs 80,000,000

12 A market where short term assets and securities are traded is called

A: Central Bank B: Capital market

C: Money market D: Development bank

13 An arrangement which allows business enterprises to share the market through a central selling agency is called a;

A: Consortium B: Absorption

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

C: Bill of landing

B: Letter of credit

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 21/2%. 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

C: Partnership

B: Co-operative society

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:

- i) Cost of sales(4marks)
- ii)Gross profit(4 marks)iii)Net sales(4 marks)iv)Rate of stock turn(4 marks)

END.