MID TERM III EXAMINATIONS 2019

S.2 COMMERCE

TIME: $2^1/_2$ HOURS

Instructions

- Answer all questions in Section A and only three (4) in Section B
- All answers must be given on the answer sheet provided
- You may lose marks for disorganized and/or untidy work.

SECTION A

1 Mining is an example of………………………………..

A. Tertiary production
B. Direct production
C. Primary production
D. Secondary production

2 One of the following reasons explains the existence of Installment selling.

A. Decrease cost of selling
B. Enables consumers buy goods offered at low prices
C. Enables consumers buy highly priced goods
D. Encourages consumers to buy items that they may not require.

3 Which of the following functions of a wholesale benefits a consumer?

A. Helping in keeping prices stable
B. Extending credit facilities to consumers
C. Buying goods in large quantities and selling them in small quantities to consumers
D. Transporting goods to consumers' premises

4 Which of the following is an advantage of partnership?

A. Unlimited liability
C. Making no losses
B. Quick decision making
D. Pooling of resources

5 The form of selling where the seller owns property until the final installment is paid is……………………

A. deferred payment
C. higher purchase
B. credit transactions
D. future deal

6 A partner who contributes capital shares profits and losses but does not take part in the day to day running of the business is a……………….

A. Limited partner
C. General partner
B. Quasi partner
D. Dormant partner

7 The ability of a good to satisfy a human want is termed as…………………….

A. Production
C. Consumption
B. Utility
D. Demand

8 Which of the following is a durable consumer good?

A. Tractor B. Rice C. Shoe D. Radio

9 Retailers who sell goods of only one manufacturer are examples of …………

A. Single shops
C. Mobile shops
B. Tied shops
D. Multiple shops

10 Which of the following documents will a seller send to the buyer if payment for the goods is required before delivery?

A. Delivery note
B. Proforma Invoice
C. Catalogue
D. Price list

11. The main branches of commerce are

a. production and exchange

b. production and consumption

c. buying, selling and aids to trade

d. home trade and foreign trade.

12 Which of the following documents has to be prepared when a public limited company wishes to make a public issue of shares?

A. Certificate of Incorporation B. Memorandum of Association

C. Prospectus D. Certificate of trading

13 The following conditions apply to a limited partner except

A. right to act on behalf of the partnership

B. liability for the firm's debts up to the amount of capital contributed

C. Sharing profits and losses

D. Contributes capital of the business

14. A non-accumulative preference share holder has missed dividends for the last three years due to lack of profit. If he holds 50 shares each of shs 10,000/= at a rate of 6%, how much dividends will he get this year?

A. Sh. 18,000/= B. Sh. 60,000/=

C. Sh. 90,000/= D. Sh. 30,000/=

15. The government may set up a business Enterprise to

A. Provide essential services

B. Earn more profit

C. Enlighten the public on how to conduct business

D. Sell shares to members of the public

16. Sole proprietorships are preferred to partnerships because they

A. Are easy to set up B. enjoy limited liability

C. are easy to expand D. earn more profits

17. which of the following refers to the ability of a good or service to satisfy a need?

a. consumption

b. demand

c. utility

d. production

18. A retail establishment stocking one class of goods under one management is called

A. Departmental store B. Hyper market

C. Super market D. Multiple shop

19. A document which invites the public to subscribe for shares in public limited company is the

a. memorandum of association

b articles of association

c. certificate of trading

d. prospectus.

20. Which of the following is not a characteristic of Public Limited Company?

A. The liability of members is limited

B. Has a minimum of seven members

C. The shares are freely transferable

D. Has a minimum of two members

<u>SECTION B</u>

21 (a) What is stock exchange? (2mks)

(b) Define the following terms as used in stock exchange.

(i) bulls

(ii) bears

(iii) stags (6 marks)

(c) Outline any six roles of a stock exchange in the development of a country (12mks)

22 (a) Why are most business Entrepreneurs in Uganda sole proprietors? (10mks)

(b) What are the short comings of this type of business? (10mks)

23. (a) Define;

(i) Memorandum of Association.

(ii) Partnership (4mks)

(b) Name and explain the clauses of Memorandum of Association. (12mks)

(c) Outline any four contents of a partnership deed . (4mks)

24 (a) Distinguish between location and localization of industries. (4mks)

(b) What factors influence location of industries? (16mks)

25. (a) Differentiate between a produce marketing board and a commodity marketing board. (4 mrks)

(b) State six functions of a marketing board (6 mrks)

(c) What problems are faced by marketing boards? (10 mrks)

26. (a) Outline reasons why the government of Uganda has continued to sell off its Enterprises. (8mks)

(b) Despite the benefits of privatization. Explain why government still owns some Enterprises. (12mks)

END