END OF TERM I EXAMINATIONS

S.3 COMMERCE

TIME: 2HRS

INSTRUCTIONS:

- This paper is made up of two sections A and B.
- Answer all questions in section **A** by circling the letter corresponding to the best alternative and any three (3) questions from Section **B** where No. 26 is compulsory.

SECTION A (20 MARKS)

1. The ability of a good to satisfy human wants is called……………….
   (A) Consumption (C) exchange
   (B) Production (D) utility
2. Which factors of production is responsible for bearing risks of the business?
   (A) labour (C)land
   (B) Entrepreneurship (D) capital
3. Identify the documents issued by the seller to the buyer when goods have been sold on credit
   (A) Invoice (C)Receipt
   (B) Credit note (D) Debit note
4. The force that drives a given unit of carriage in transport referred to as;
   (A) Method of propulsion (C) demurrage
   (B) Unit of carriage (D) terminal
5. What organization is responsible for collecting taxes in Uganda?
   (A) Uganda revenue Authority (C) Uganda national chamber of commerce
   (B) Uganda National Bureau of standards (D)Capital markets Authority
6. Services of Uganda Police are examples of ;
   (A) Secondary production (C) tertiary production
   (B) Primary production (D)direct production
7. Gross profits expressed as a percentage of cost of sales is known as;
   (A) Return on capital (C) mark up
   (B) Rate of turnover (D) margin
8. Invisible trade refers to trading in;
   (A) Struggled goods (C)perishable products
   (B) Services (D) intermediate goods
9. Stock, cash and bank balance in a business are examples of;
   (A) Working capital (C) current liabilities
   (B) Current assets (D) fixed assets
10. The type of business where profits are shared according to the members participation is called a……..
   (A) Partnership (C) co-operatives

(B) Public limited company (D)public corporation

11. Containerization in transport is associated with……………..
    (A) Easier loading and unloading (C) increased insurance risks
    (B) Higher freight charges (D) reduced customs duty
12. The process of production is complete when goods reach the…………………
    (A) Premises of the retailer (C) wholesaler
    (B) Final consumers (D) bonded warehouse.
13. The number of times goods are sold and replaced during a particular year is known as………
    (A) Gross profit ratio (C) stock turn over ratio
    (B) Liquidity ratio (D) Net profit ratio
14. Given turn over worth shs 450,000 and cost of sales as shs 300,000, calculate the mark up of the business;
    (A) 35.3% (C) 50%
    (B) 66.7% (D) 20%
15. An allowance a seller gives a customer when payment is made within a specified period of time is called;..
    (A) Cash discount (C) Trade discount
    (B) Commission urgent (D) quantity discount
16. Wholesalers may be eliminated from the chain of distribution if the……………..
    (A) Goods are very cheap (C) Demand for goods increase
    (B) Manufacturers use their agents (D)manufacturers are far from consumers
17. The difference between the value of visible exports and visible imports is known as……….
    (A) Terms of trade (C) Terms of payment
    (B) Balance of payment (D) Balance of trade
18. If an increase in the price of a commodity leads to a decrease in the demand of another commodity, the two commodities are said to be……………..
    (A) Complementary goods (C) consumer goods
    (B) Substance goods (D) inferior goods
19. The demand for goods or services is determined by the following factors except the;
    (A) Level of incomes (C) level of technolgy
    (B) Price of other goods (D) Taste of consumers
20. A secondary school produces maize on its farm for consumption by the students. What type of production is this?
    (A) Direct production (C) Tertiary production
    (B) Secondary production (D) Indirect production

SECTION B:

21. (a) what is the importance of transport in trade? (8marks)
    (b) Explain 6 reasons why must businessmen in Uganda prefer road transport.(12mks)

22. (a) Distinguish between specialization and Division of labour (4marks)

(b) Give any four advantages and four disadvantages of specialization (16marks)

23.(a)Give five reasons why the government of Uganda operates businesses alongside the private enterprises? (10marks)

(b) Explain any five methods used by the government of Uganda to control the activities of the private enterprises? (10marks)

24. (a)Describe five types of small scale retailers in Uganda (10marks)

(b) Explain five disadvantages of small scale retail trade? (10marks)

25. (a) What is a partnership deed". (2marks)

(b) state eight contents of a partnership deed. (8marks)

(c) Give any five advantages of a partnership form of business. (10marks)

26. (a) Given that; stock on 31/12/2018 shs 213,00

Stock on 1st/01/2018 shs 182,400

Purchases 1/01/2018 shs 1,382,900

Sales " " shs 1,966,900

Ruturns outwards shs 34,100

Returns inwards shs 51,000

Determine;

(i)	Turn over	(4marks)
(ii)	Net purchases	(4marks)
(iii)	Goods available for sale	(4marks)
(iv)	Cost of sales	(4marks)
(v)	Rate of stock turns	(4marks)

*****END***

HAPPY EASATER