EXTERNAL PAPER

BOT 2 EXAMS

S.4 COMMERCE

800/1

TIME: 2 ½ HRS

INSTRUCTIONS:

- ***This paper is made up of two sections A and B***
- ***Do all numbers in section A by writing the letter corresponding to the best alternative on the answer sheet provided and any four numbers from Section B.***
- ***All questions in section B carry equal marks***
- ***Any additional questions done will not be marked.***

SECTION A (20 MARKS)

1. Which factor of production is responsible for bearing risks of the business?

(A) Labour (C) land

(B) Entrepreneurship (D) capital

2. The following factors affect demand except;

(A) Income of the consumer (C) income of the produces

(B) Price of the commodity (D) price of the substitute goods

3. Identify the documents issued by the seller to this buyer when goods are returned;

(A) Invoice (C) receipt

(B) Credit note (D) Debit note

4. The difference between a country's total receipts and total payments a broad in one year is know as……………….

(A) Balance of trade (C) balance of payment

(B) Visible trade (D) terms of trade

5. Which partner contributes capital, shares profits of the partnerships but does not participate in the day to day management of the business?

(A) Quasi partner (C) limited partner

(B) Dormant partner (D) active partner

6. Identify the document which governs the rules and regulations for the internal organization of the company;
   (A) Memorandum of association (C) articles of Association
   (B) Partnership deed (D) certificate of incorporation
7. The force which drives a given unit of carriage in transport is referred to as;….
   (A) Method of propulsion (C) demurrage
   (B) Unit of carriage (D) terminal
8. Given a margin of 20% and net sales work shs 2,800,000, find gross profit;
   (A) Shs 560,000 (C) shs 2,240,000
   (B) Shs 2,800,000 (D) shs 360,000
9. Under what circumstances is a cash discount given to a customers? When a customer……….
   (A) Pays within the agreed period
   (B) Buys in large quantities
   (C) Pays before delivery
   (D) Buys goods regularly
10. The amount of money the insured pays regularly to the insurer for an insurance policy is known as…………………
    (A) Sum insured (C) contribution
    (B) Surrender value (D) premium
11. A cheque payable at a future date is called;
    (A) Stale cheque (C) post dated cheque
    (B) Crossed cheque (D) open cheque
12. A consignment of goods invoiced at shs 200,000 carried a trade discount of 10% and a cash discount of 5%. What amount was paid to the seller?
    (A) Shs 170,000 (C) shs 190,000
    (B) Shs. 180,000 (D) shs 171,000

13. The arrangement made among insurance companies to spread the risk insured is known as……….

(A) Co-insurance (C) re-insurance

(B) Over insurance (D) under insurance

14. Miners are classified under;

(A) Tertiary producers (C) direct producers

(B) Secondary producers (D) primary producers

15. Misunderstanding among the partners can be solved by……………………………….

(A) Criminating some partners (C) referring to the partnership deed

(B) The decision of quasi partners (D) dissolving the partnership

16. The system of installment selling where the buyers takes ownership of the property immediately after paying the first is known as…………………….

(A) Hive purchase (C) credit sales

(B) Mortgaging (D) Deferred payment

17. Given the following information, determine the value of the current liabilities;

Stock shs	100,000
Trade creditors shs	80,000
Trade debtors shs	120,000
Bank overdraft shs	50,000

(A) Shs 170,000 (C) shs 130,000

(B) Shs 220,000 (D) shs 300,000

18. When government takes over all firms operating in a particular industry, this is known as….

(A) Privatization of industries (C) merging of industries

(B) Rationalization of industries (D) delocalization of industries

19. Which insurance policy would cover of goods stolen by factory worker's?

(A) Workman's compensation (C) fidelity guarantee

(B) Public liability (D) pilferage

20. Which of the following bridges the gap between a producer and a consumer?

(A) Production (C) industry

(B) Trade (D) commerce

<u>SECTION B (80 MARKS)</u>

Do any four questions from this section

21. (a)Explain any five functions of Bank of Uganda (10marks)

(b) Describe five methods used by Bank of Uganda to control commercial banks.

(10marrks)

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

(b) Give five advantages and five disadvantages of specialization (10marks)

(c) Describe the following types of specialization?

(i) specialization b y process (2marks)

(ii)specialization by craft (2marks)

Specialization by area (2marks)

23. (a) why do countries restrict the volume of goods entering them.(10marks)

(b) Explain any five methods to restrict the volume of goods entering them(10marks)

24. (a) Give seven reasons why sole proprietorship is preferred to other forms of business organization in your country? (14marks)

(b) state six problems faced by sole proprietorships in Uganda. (6marks)

25. (a)Give any four reasons for the continued existence of small firms alongside large scale firms. (8marks)

(b) Explain six factors that influence the location of an industry (12marks)

26.(a) Explain the following terms as used in insurance;

(i) surrender value (2marks)

(ii)proposal form (2marks)

(iii)Risk (2marks)

(iv)Insurance policy (2marks)

(v)Insurance policy (2marks)

(b) Describe the basic principles of insurance(10marks)

27.(a)Outline four characteristics of super markets (4marks)

(b)Explain four advantages and four disadvantages of large scale retailers (16marks)

28. (a)Distinguish between stock taking and stock valuation (4marks)

(b)Kyarenga Traders had the following information as at 31st Dec. 2018.

Opening stock	shs. 1,800,000
Net purchases	shs. 260,000
Closing stock	shs .1.200,000
Expenses	shs.440,000
Mark-up	20%

Required; calculated

(i) Cost of sales
(ii) Turn over
(iii) Average stock

(iv) Rate of stock turn

(v) Net /profit/Net loss

*****END*****