800/1
Commerce
2½hours
2019

RESOURCEFUL MOCKS 2019

UGANDA CERTIFICATE OF EDUCATION

COMMERCE

TIME: 2 HOURS 30 MINUTES.

INSTRUCTIONS:

- This paper consists of two Sections **A** and **B**.
- Answer **all** questions in Section A and any **four** from Section B.
- Answers to all questions must be written in the answer booklets **or** answer sheets provided.
- All questions in section B carry equal marks.
- Any additional question(s) answered will **not** be marked.
- You may lose marks for untidy work.

SECTION A (20 MARKS)

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

1. Which factor of production receives rent as its reward?
   A. Capital.
   B. Labour.
   C. Land.
   D. Entrepreneurship.

2. The process of distinguishing substitute goods by producers is called
   A. standardization .
   B. branding.
   C. pre-packaging.
   D. blending.

3. A farmer who produces maize for sale to a grain milling factory is engaged in
   A. tertiary production
   B. subsistence production
   C. direct production
   D. indirect production

4. The following are examples of large-scale retail units **except**
   A. Departmental stores.
   B. Multiple shops.
   C. Super markets.
   D. Mobile shops.

5. Which **one** of the following factors causes low demand for a good on the market?
   A. High price of its complement.
   B. High income of consumers.
   C. low price of a good.
   D. high price of substitutes

6. A specified limit fixed by the ministry of trade in Uganda on the volume of imported cement is called
   A. trade embargo.
   B. tariff.
   C. quota.
   D. customs draw-back.

7. A situation where a country sells more goods to trading partners than it buys is known as
   A. unfavourable terms of trade.
   B. favourable balance of trade.
   C. unfavourable balance of payments.
   D. favourable balance of trade.

8. In sea transport, a port is an example of a
   A. terminal
   B. Way
   C. unit of carriage
   D. method of propulsion.

9. Which one of the following is an example of a direct tax?
   A. Value Added Tax (VAT)
   B. Import tax
   C. Corporation tax
   D. Excise tax.

10. A tourist who has no post office address box can collect mail from specific post offices in Uganda using a service called
   A. Business reply.
   B. Poste restante.
   C. Selecta post.
   D. Postal order.

11. What is the **most** suitable medium for advertising new brands of desk computers on the market?
   A. Radio
   B. Television
   C. Bill boards
   D. Newspapers.

12. Bonded warehouses offer the following services **except**
   A. sending indents abroad.
   B. collecting customs duty.
   C. verifying origin of goods.
   D. ensuring safe custody of goods.

13. Goods worth **shs 18,000,000** were bought by a trader. Trade discount and Cash discount of **10%** and **5%** respectively were offered by the seller. Determine the amount paid by the buyer.
   A. Shs 16,200,000.
   B. Shs 17,100,000.
   C. Shs 15,390,000.
   D. Shs 15,300,000.

14. The principal document in an insurance contract is called a
   A. Cover note.
   B. Claim form.
   C. Proposal form.
   D. Policy.

15. The stock exchange dealer who buys shares in the hope that their prices will rise in the future is called
   A. Stag.
   B. Bear.
   C. Broker.
   D. Bull.

16. The financial records of a company are**:** Stock shs 8,300,000; Equipment shs 18,200,000; Debentures shs 38,000,000 and Buildings shs 14,500,000. The value of **fixed capital** is
   A. Shs 70,700,000
   B. Shs 32,700,000
   C. Shs 41,000,000.
   D. Shs 46,300,000.

17. Which charge is paid to the port authorities when a ship is **not** off-loaded within the agreed lay days?
    A. Brokerage. C. Demurrage.
    B. Poundage. D. Commission.

18. A company attains separate legal existence when its directors are issued with a document called
    A. Certificate of incorporation. C. Articles of association.
    B. Memorandum of association. D. Prospectus.

19. The percentage of net profit to the owner' equity is known as
    A. Net profit ratio. C. Margin.
    B. Return on capital. D.Stock-turn ratio.

20. A bill of exchange payable after maturity is called
    A. An usance bill. C. a documentary bill.
    B. A sight bill. D. a retired bill.

SECTION B (80 MARKS)

Answer any ***four*** questions from this section.

21.(a) Describe any **five** types of small-scale retailers operating in Uganda.**(10 marks)**
(b) Explain **five** problems faced by small- scale retailers in Uganda. **(10 marks)**

22.(a) Differentiate between the following terms as used in Commerce:
(i) **Demand** and **Supply** **(02 marks)**
(ii) **Consumer good** and **Producer good** **(02 marks)**

(b) Explain **eight** factors which may cause high supply of a particular commodity on the market. (**16 marks)**

23. (a) Define the term **Partnership** as used in Commerce. **(02 marks)**

(b) Mention **eight** Pieces of information contained in a Partnership Deed.(**08 marks**)

(c) Two sole traders in your community would wish to form a partnership.

Advise them on the merits of a partnership form of business over sole proprietorship. **(10 marks)**

24. (a) Distinguish between a **Public Corporation** and a **Parastatal body.** **(04 marks)**

(b) Explain **five** reasons for government involvement in business activities in Uganda. **(10 marks)**

(c) Suggest any **six** ways in which government can support the private sector in Uganda. **(06 marks)**

25. (a) State the use of each of the following documents used in International trade:

(i) Consular invoice; **(02 marks)**

(ii) Letter of credit; **(02 marks)**

(iii) Letter of hypothecation; **(02 marks)**

(iv) Certificate of origin. **(02 marks)**

(b) Explain any **six** advantages of putting restrictions on goods and services from other countries. **(12 marks)**

26. (a) Distinguish between **advertising** and **sales promotion**. **(04 marks)**

(b) Give **six** services which are offered by specialized advertising agencies in Uganda. **(06 marks)**

(c) Explain any **five** factors that traders should consider when choosing a medium of advertising. **(10 marks)**

27. (a) Explain **five** merits of telephones as a form of communication in trade. **(10 marks)**

(b) Explain **five** factors that limit effective communication among traders in Uganda. **(10 marks)**

28. **(a)** Differentiate between the following terms as used in business calculations:

(i) **Borrowed capital** and **Working Capital** (02 marks)

(ii) **Mark-up** and **Margin**. (02 marks)

(b) The following information relates to a grocery business as at December 31st 2016.

Total assets	Shs 18,000,000
Turnover	Shs 8,200,000
Total liabilities	Shs 7,500,000
Cost of goods sold	Shs 4,400,000
Expenses	Shs 800,000

Calculate:

(i) Capital owned, (04 marks)

(ii) Gross profit, (03 marks)

(iii) Net profit, (03 marks)

(iv) Net profit ratio, (03 marks)

(v) Return on capital, (03 marks)

END