800/1 Commerce Paper 1 July/August 2022 2½ hours

# **BUGANDA EXAMINATIONS COUNCIL MOCKS**

### **Uganda Certificate of Education**

#### **COMMERCE**

#### PAPER 1

#### **2HOURS 30 MINUTES**

#### **INSTRUCTIONS TO CANDIDATES**

- This paper consists of two sections **A** and **B**.
- Answer all questions in section **A** and any **four** from section **B**.
- Answers to <u>all</u> questions <u>must</u> be written in the answer booklets 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 provided.

1.	Whi	ch of the following mea	ans of paymer	nt is provided by th	ne post of	fice?			
	A.	cheques	B.	credit transfers					
	C.	money orders	D.	standing orders					
2.	Identify an example of informative advertisement from the following:								
	A.	"cigarette smoking is dangerous to your life."							
	B.	"best food is served here"							
	C.	"real men drink bee	r"						
	D.	"omo removes dirt	and stains ins	tantly."					
3.	Bank loan and debentures are examples of								
	A.	borrowed capital	B. capital own	ned C. liquid cap	pital D. f	ixed assets			
4.	The document that shows where the imported goods are coming from is called								
	A.	bill of lading	B.	certificate of ori	gin				
	C.	pro-forma invoice	D.	indent					
5.	Gove	ernment securities tha	t carry a fixed	rate of interest ar	e known	as			
	A.	bonds B. share	s C. debe	ntures D. bi	lls of excl	nange			
6.	The form of integration where firms produce totally unrelated goods is called								
	A.	vertical integration	B.	horizontal integ	ration				
	C.	conglomerate integ	ration D.	lateral integration	on				
7.	are retail outlets where there are many shops under one roof and management.								
	A.	multiple shops	B.	mail order shop	S				
	C.	super markets	D.	departmental st	ores				
8.	Repair and maintenance of vehicles by the manufacturer is an example of								
	A.	after sale service	B.	hire purchase					
	C.	self service	D.	sales promotion					
9.	The refund of money to the importer when he decides to re-export goods is known as								
	A.	tariffs B. quota	s C. custo	oms draw back	D.	total ban			
10.	The amount of money given back to the insured by the insurer when decides to cancel the policy is known as								
	A.	commission	B.	premium					

	C.	sum insured	D.	surrender value			
11.	Which A. C	n of the following is a basic pa profit maximization restricted membership	В.				
12.	The fo A. B. C. D.	ollowing are functions of the central bank except exchange control issuing currency lender of last resort to commercial banks lending to individual persons					
13.	The lo	oss of value of an asset due to depreciation B. devaluat		se is called depletion D. revaluation			
14.		Which of the following is not a basic factor when selecting the means of transport to					
	use? A. C.	distance transport cost	B. D.	insurance number of passengers			
15.	A deb A. B. C. D.	it note will be issued when there is an under cha when there is an over charş when goods have been dam when goods have been ove	ge on th	ne invoice			
16.		An exercise that is undertaken prior launching a product with a view to assess its probable demand is called					
	A. C.	loss leader product development	B. D.	market research advertising campaign			
17.		ort prices rise faster than ex orable balance of trade terms of trade	port pr B. D.	ices a commodity is said to be experiencing balance of payment rate of exchange			
18.	Which A.	n bill of exchange is payable a trade bill B. issuar	at a futu ice bill				
19.	shillin	ngs	_	of 40% and the cost of sales of 3,800,000			
20.	A. Which A. C.			O C. shs. 1,520,000 D. shs. 900,000 cording to the amount of goods imported? excise tax sumptuary tax			

### **SECTION B (80 MARKS)**

Answer any *four* questions from this section.

21(a) (b) (c)	Define wholesale trade. State the features of wholesale trade. Under what circumstances may a vidistribution?	(02marks) (08marks) hain of (10marks)	
22(a) (b)	Mention any four types of specializ Explain the merits and demerits of		(04marks) (16marks)
23(a) (b)	Distinguish between demand and s Explain the factors that influence s	(04marks) (16marks)	
24(a) (b)	Describe any five methods used to Why is it important to restrict the	y.(10marks) (10marks)	
25(a) (b)	What are the benefits of sole trade Explain the short comings of sole t	(10marks) (10marks)	
26(a) (b)	Describe the importance of commu What are the services provided by	(10marks) (10marks)	
27(a) (b) (c)	Distinguish between insured and in Explain the importance of insurance Explain any five factors that should paid.	(02marks) (08marks) premium to be (10marks)	
28(a) (b)	Differentiate between (i) Mark up and margin (ii) Turnover and rate of turnover the following business record answer questions that follow?	ver ds extracted from MAPROMA enter	(04marks) (04marks) prises Ltd and
	Capital Average stock at cost Net profit Expenses Rate of turnover Determine;	shs. 1,200,000 shs. 400,000 shs. 340,000 shs. 1,260,000 6 times	

**END** 

Cost of sales

Gross profit

Rate of return on capital invested

Sales

(i)

(ii)

(iii)

(iv)

(03marks)

(04marks)

(02marks)

(03marks)