

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 all questions must 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. Which of the following means of payment is provided by the post office?
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 beer"
D. "omo removes dirt and stains instantly."
3. Bank loan and debentures are examples of
A. borrowed capital B. capital owned C. liquid capital D. fixed assets
4. The document that shows where the imported goods are coming from is called
A. bill of lading B. certificate of origin
C. pro-forma invoice D. indent
5. Government securities that carry a fixed rate of interest are known as
A. bonds B. shares C. debentures D. bills of exchange
6. The form of integration where firms produce totally unrelated goods is called
A. vertical integration B. horizontal integration
C. conglomerate integration D. lateral integration
7.are retail outlets where there are many shops under one roof and management.
A. multiple shops B. mail order shops
C. super markets D. departmental stores
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. quotas C. customs 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

- 3
Turn over

SECTION B (80 MARKS)

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

- 21(a) Define wholesale trade. (02marks)
(b) State the features of wholesale trade. (08marks)
(c) Under what circumstances may a wholesaler not be necessary in the chain of distribution? (10marks)
- 22(a) Mention any four types of specialization. (04marks)
(b) Explain the merits and demerits of division of labour. (16marks)
- 23(a) Distinguish between demand and supply. (04marks)
(b) Explain the factors that influence supply of a particular good. (16marks)
- 24(a) Describe any five methods used to limit the entry of goods in a country. (10marks)
(b) Why is it important to restrict the entry of goods in a country? (10marks)
- 25(a) What are the benefits of sole trade business? (10marks)
(b) Explain the short comings of sole trade business. (10marks)
- 26(a) Describe the importance of communication in business. (10marks)
(b) What are the services provided by the post office in Uganda? (10marks)
- 27(a) Distinguish between insured and insurer. (02marks)
(b) Explain the importance of insurance in Uganda's development. (08marks)
(c) Explain any five factors that should be considered when determining premium to be paid. (10marks)
- 28(a) Differentiate between
(i) Mark up and margin (04marks)
(ii) Turnover and rate of turnover (04marks)
(b) Study the following business records extracted from MAPROMA enterprises Ltd and answer questions that follow?

Capital	shs. 1,200,000
Average stock at cost	shs. 400,000
Net profit	shs. 340,000
Expenses	shs. 1,260,000
Rate of turnover	6 times

Determine;

- (i) Cost of sales (03marks)
(ii) Sales (04marks)
(iii) Gross profit (02marks)
(iv) Rate of return on capital invested (03marks)

END

