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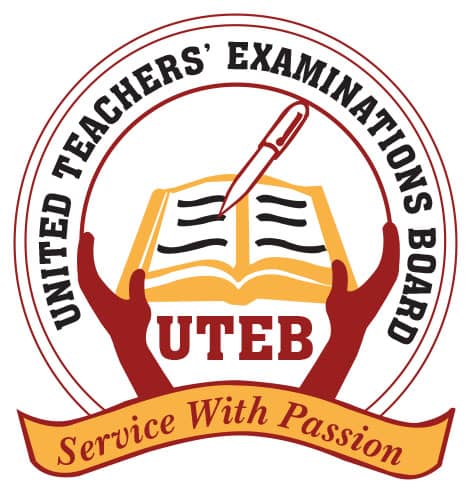
**Commerce**

Paper 1

Jul. /Aug. 2019

**2 ½ Hours**

2½ hours

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**JOINT MOCK EXAMINATIONS, 2019**

**Uganda Certificate of Education**

**COMMERCE**

**Paper 1**

2 Hours 30 minutes

**INSTRUCTIONS TO CANDIDATES:**

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

**Turn Over**

**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 insurance policies is compulsory for all vehicles
2. Comprehensive
3. Accident policy
4. Fidelity guarantee
5. Third party
6. Which one of the following is a set of direct services?
   1. Building , teaching, nursing
   2. Teaching, Building, insurance
   3. Teaching , insurance , nursing
   4. Insurance, farming, nursing
7. Which of the following statements is correct about Co-operatives?
8. Profits are shared according to participation
9. Members share profits equally
10. Decision making is according to the number of shares held.
11. The number of membership is limited to 50
12. A partner who contributes capital, shares profits and losses but does NOT take part in the day-to-day running of a business is a:
13. Limited partner
14. General partner
15. Quasi partner
16. Dormant partner
17. If a trader is given 20% trade discount and 5% cash discount for goods purchased at Sh.100,000/=, how much will he pay?
18. Sh. 75,000
19. Sh. 80,000
20. Sh. 76,000
21. Sh. 60,000
22. The documents that acknowledges settlement of debt is.
23. An order
24. An invoice
25. A statement of a account
26. A receipt
27. An example of business organizations that belong to public sector in Uganda is
28. Corporation
29. Limited companies
30. Marketing Boards
31. Co-operatives
32. How will the consumer react when there is decrease in the price of a commodity
33. Increase quantity supplied
34. Increase quantity demanded
35. Decrease quantity demanded
36. Decrease quantity supplied
37. Which one of the following organization is responsible for consumer protection in Uganda?
38. Uganda revenue authority
39. Uganda human rights association
40. Uganda investment authority
41. Uganda bureau of standards
42. Which one of the following is true of marketing boards
43. Only sale to local market
44. Buy from farmers through cooperative societies
45. Only sale for foreign market
46. Buy good directly from small scale farmers.
47. A business is said to be a solvent when it has...........
48. More assets than liabilities
49. More liabilities than assets
50. Equal amount of assets and liabilities
51. More fixed assets than current liabilities
52. A business man had an average stock of Shs. 12,000 and his rate stock turn was 10. What was the cost of the goods sold
53. Shs. 120,000
54. Shs. 1200
55. Shs. 11990
56. Shs. 12010
57. Loss leaders are used by large scale retailers to
58. Keep the prices as low as possible
59. Stock more goods in the shelves
60. Dismiss unfaithful shop attendants
61. Increase sales

**Turn Over**

1. A cheque is drawn in favour of Peter. What is peter?
2. Payee
3. Drawee
4. Drawer
5. Endorsee
6. Import trade is sometimes controlled because.
7. Protects growth of infant industries
8. Reduces government revenue
9. Creates employment in the exporting countries
10. Hinders standards of living in importing countries
11. Which of the following types of accounts is most suitable for a business.
12. Current account
13. Saving account
14. Fixed deposit account
15. Salary account
16. What is a closed indent? It is a document...........
17. Which specifies the country of origin of goods
18. Which informs the importer of the dates when the goods will be at the port
19. Where the importer simply sends the order to the agents
20. Where the importer names the manufacturer or supplier of thegoods.
21. The efficiency of a business is indicated by its.
22. Rate of turn over
23. Gross profit
24. Sales
25. Net profit
26. Calculate the cost of goods sold from the following information

* Opening stock **Shs. 50,000**
* Purchases **Shs. 280,000**
* Closing stock **Shs. 40,000**

1. Shs. 330,000
2. Shs. 240,000
3. Shs. 370,000
4. Shs. 290,000
5. An arrangement where companies sell their products at an average price is called.
6. Consortium
7. Cartel
8. Merger
9. Trust

**SECTION B (80 MARKS)**

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

1. (a) Distinguish between demand and supply. **(04 marks)**

(b) What factors may influence producers to supply a given commodity**? (16 marks)**

1. (a) Why are small – scale retail businesses on the increase in Uganda?**(12 marks)**

(b) What are the disadvantages associated with small – scale retail business?

**(08 marks)**

1. (a) Give reasons why there is need for the government to protect consumers?

**(10 marks)**

(b) How can the government of Uganda protect consumers? (**10 marks)**

1. (a) Define containerization.  **(02 marks)**

(b) What are the advantages and disadvantages of containerization? **(18 marks)**

1. (a) Explain the following as used in insurance.

(i) Re – insurance  **(02 marks)**

(ii) Co – insurance **(02 marks)**

(iii) Surrender value **(02 marks)**

(iv) Contribution **(02 marks)**

(b) Explain six policies that can be acquired by the members of the public under accident department.  **(12 marks)**

1. (a) Differentiate between a central bank and commercial banks. **(08 marks)**

(b) Explain six monetary tools used by the Bank of Uganda to regulate credit.

**(12 marks)**

1. (a) Define denationalization.  **(02 marks)**

(b) What are the advantages and disadvantages of denationalization?

**(18 marks)**

**Turn Over**

1. (a) Distinguish between liquid capital and fixed capital. **(04 marks)**

(b) The following records were extracted from the books of Nalongo traders association for the year ending 31st / 12 / 2018

Stock 01/01/2018 4,6000,000/=

Creditors 1,100,000/=

Debtors 3,000,000/=

Capital 8,000,000/=

Year purchases 3,720,000/=

Stock 31st / 12 / 2018 1,600,000/=

Cash at hand 1,800,000/=

Return inwards 150,000/=

Expenses 1,080,000/=

Year sales 10,000,000/=

Return outwards 200,000/=

You are required to calculate;

(i) Cost of goods sold. **(03 marks)**

(ii) Average stock **(03 marks)**

(iii) Markup  **(03 marks)**

(iv) Rate of turn over. **(04 marks)**

(v) Profit margin **(03 marks)**

**End**