

800/1
COMMERCE
PAPER 1
EXAMS
2023
2½HRS

BULOBA CHRISTIAN HIGH SCHOOL

END OF TERM I EXAMINATIONS 2023

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 FOUR questions in 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 and un numbered work.*

SECTION A (20MARKS) (OBJECTIVES)

1. Any activity done with an aim of making profit is
A. Production
B. Business
C. Commerce
D. Service
2. A person who undertake project co-ordination is
A. An entrepreneur
B. Organizer
C. Labour
D. Human resource manager
3. A refund made to an importer for goods to be re-exported is known as ;
A. Custom duty
B. Import duty
C. Customs draw back
D. Foreign trade allowance
4. Loss of value due to usage of any fixed asset is;
A. Loss leader
B. Bad debt
C. Appreciation
D. Depreciation
5. Sundra insured her car against accident for shs. 15000,000. Prior to the incident, the value of car was shs. 13,000,000. How much can she get in case he does not take the wrakage of shs. 2400,000.
A. Shs. 11,600,000
B. Shs. 15,000,000
C. Shs. 13,000,000
D. Shs. 15400,000
6. What form of tax is imposed on the expenditure of an individual or firm.
A. Indirect tax
B. Sumptuary tax
C. Value added tax
D. Direct tax
7. A person who under takes to pay a named person on a bill of exchange is known as;
A. Payee
B. Drawer
C. Endorsee
D. Acceptor

8. Determine the working capital if the value of capital employed is shs. 800,000, current assets shs. 200,000. Total assets shs. 680,000
- A. Shs. 480,000
B. Shs. 320,000
C. Shs. 560,000
D. Shs. 380,000
9. Which of the following does not explain direct production?
- A. There is no specialisation.
B. It involves use of machines.
C. Many types of goods are produced.
D. Production is on small scale.
10. The best account required to be used by a business man is
- A. Saving account
B. Current account
C. Fixed deposit
D. Joint account
11. The following are ways of increasing business turnover except.
- A. Reducing price
B. Expanding business operation.
C. Offering a wide range of products.
D. Increasing expenditure.
12. Earning from Japanese tourists visiting Uganda Museum is Uganda's
- A. Invisible export
B. Visible export
C. Invisible import
D. Visible import
13. A document which contains an illustration and details of goods offered for sale is called;
- A. Tender
B. Price list
C. Quotation
D. Catalogue
14. A trader in stock exchange that deals in only new issues of companies is
- A. Broker
B. Bear
C. Bull
D. Stag

15. E-mail services makes possible.....
- A. To talk to a friend quickly
 - B. To send business message by mobile phone
 - C. To use computers effectively
 - D. To send and receive written messages with the help of a computer.
16. is not an example of a parastatal body in Uganda.
- A. Uganda police.
 - B. Uganda National examinations Board
 - C. Uganda National Bureau of standards
 - D. Uganda Revenue Authority
17. Price in a free market economy are determined by;
- A. Marketing Agencies
 - B. Government control of prices
 - C. Level of income of the buyer
 - D. Forces of demand and supply.
18. Gross capital employed is represented by
- A. Total liabilities
 - B. Total working capital
 - C. Total assets
 - D. Total long term liabilities
19. A currency of a country means
- A. The shillings used in East Africa.
 - B. The dollars of united states of America.
 - C. A form of money which can be used as a medium of exchange
 - D. The exchange of goods and services by use of money.
20. A warehouse department concerned with maintaining staff records is
- A. Accounts
 - B. Publicity
 - C. Secretary
 - D. Administration

SECTION B (80MARKS)

21. a) State two examples of each of the following goods

- (i) Consumer goods (02marks)
 - (ii) Producer goods (02marks)
 - b) Explain any four factors of production giving a reward for each. (16marks)
22. a) Mention any six characteristics of large scale retailers. (06marks)
- b) Advise a business man who wants to start a retail business on any seven factors he should consider in setting a retail business. (14marks)
23. a) Distinguish between the following types of partners.
- (i) General partner and limited partner (02marks)
 - (ii) Active partner and sleeping partner. (02marks)
 - (iii) Major partner and minor partner. (02marks)
- b) State any four rights and duties of a business partner. (08marks)
- c) Under what conditions may a partnership firm be dissolved. (06marks)
24. a) Distinguish between Bi- lateral and multi-lateral trade (04marks)
- b) Outline any four functions of a bill of lading (04marks)
- c) Explain six factors that hinder the smooth operation of multi-lateral trade in your country. (12marks)
25. a) Distinguish between
- (i) Actuary and assessor (04marks)
 - (ii) Whole life insurance policy and endowment policy. (04marks)
- b) Explain the basic principles of insurance. (12marks)
26. a) Explain the role played by the bank of Uganda in your country. (10marks)
- b) Explain any five methods used by the bank of Uganda to control all commercial banks lending in Uganda. (10marks)
27. a) Differentiate between Direct tax and indirect tax. (04marks)
- b) Other than taxation mention any six sources of government revenue. (06marks)
- c) Explain the importance of paying tax in the country. (10marks)

28. a) Distinguish between insolvency and Bankruptcy (04marks)

b) Give the following records of Mukasa company LTD for year ended 31 Dec. 2017

Purchase	shs. 3073,000
Expenses	shs. 6,600,000
Stock at start	shs. 7,340,000
Returns outwards	25000
Margin	25%
Stock 31 Dec 2017	shs. 840,000

Required to calculate

- | | | |
|-------|---------------------|-----------|
| (i) | Total sales at cost | (04marks) |
| (ii) | Turn over | (03marks) |
| (iii) | Gross profit | (03marks) |
| (iv) | Rate of stock turn | (03marks) |
| (v) | Net profit | (03marks) |

END