

800/1
COMMERCE
Paper 1
Jul./Aug. 2023
2½ hours



WAKISO-KAMPALA TEACHERS' ASSOCIATION (WAKATA)

WAKATA MOCK EXAMINATIONS 2023

Uganda Certificate of Education

COMMERCE

Paper 1

2 hours 30minutes

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 booklet(s) 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. The process of distinguishing substitute goods by producers is called
 - A. Standardization
 - B. Branding
 - C. Pre-packaging
 - D. Blending
2. The cover against events that are bound to happen is known as
 - A. Insurance
 - B. Indemnity
 - C. Assurance
 - D. Subrogation
3. Which one of the following is not a function of money?
 - A. Medium of exchange
 - B. Unit of account
 - C. Purchase goods and services
 - D. Store of value
4. Which one of the following is a true characteristic of a tramp? It
 - A. has no time table
 - B. follows regular routes
 - C. charges very high rates
 - D. handles specialized cargo
5. Calculate the net sales of a trading firm which has returns outwards of Shs. 500,000, total sales of Shs. 1,400,000 and returns inwards amounting to Shs. 400,000
 - A. Shs. 900,000
 - B. Shs. 1,000,000
 - C. Shs. 1,800,000
 - D. Shs. 500,000
6. The main advantage of specialization is that it,
 - A. Saves time
 - B. Allows constant use of machinery
 - C. Leads to mass production
 - D. Promotes development of skills
7. "Aerial, better stains removal in one wash". This statement is an example of;
 - A. Direct advertising
 - B. Informative advertising
 - C. Indirect advertising
 - D. Persuasive advertising
8. The formula for capital of the business is
 - A. $\text{Capital} = \text{Liabilities} + \text{Assets}$
 - B. $\text{Asset} = \text{Capital} + \text{Liabilities}$
 - C. $\text{Liabilities} = \text{Capital} + \text{Assets}$
 - D. $\text{Capital} = \text{Liabilities} - \text{Assets}$
9. The re-exportation of goods to another country is called
 - A. Export Trade
 - B. Import Trade
 - C. Entrepot Trade
 - D. International Trade
10. Is concerned with the changing of raw materials into finished goods
 - A. Form Utility
 - B. Place Utility
 - C. Time Utility
 - D. Possession Utility
11. A business had the following: Stock Shs. 2,000,000, Mortgages Shs. 4,000,000, Debtors Shs. 600,000, Creditors Shs. 400,000, Cash Shs. 1,000,000, Bank o/d Shs. 300,000, Bank Shs. 700,000. Determine the value of working capital.
 - A. Shs. 4,300,000/=
 - B. Shs. 7,600,000/=
 - C. Shs. 3,600,000/=
 - D. Shs. 700,000/=

SECTION B (80 MARKS)

Answer any four questions from this section.

21. (a) Distinguish between **sales promotion** and **advertising**. (04 marks)
(b) Explain **eight** methods of sales promotion. (16 marks)
22. (a) Distinguish between **location** and **delocalization**? (04 marks)
(b) What factors are considered for the location of an industry? (16 marks)
23. (a) Describe the different channels of distribution for goods. (08 marks)
(b) What factors influence the choice of distribution channel for goods? (12 marks)
24. (a) Why may there be need for the countries like Uganda and Rwanda to conduct trade? (10 marks)
(b) State the reasons as to why Uganda may limit its trade with Rwanda. (10 marks)
25. (a) Distinguish between **Nationalization** and **Privatization**. (04 marks)
(b) What are the benefits of Nationalization? (16 marks)
26. (a) Why are bonded warehouse important to the government? (10 marks)
(b) What are the features of warehousing? (10 marks)
27. (a) Distinguish between **communication** and **effective communication**. (04 marks)
(b) Explain the elements of effective communication. (16 marks)
28. The following details relate to the business transactions of Gunuma Traders Limited.
- | | | |
|-------|------------------|----------------|
| (i) | Opening Stock | Shs. 2,000,000 |
| (ii) | Gross Profit | Shs. 4,100,000 |
| (iii) | Average Stock | Shs. 2,500,000 |
| (iv) | Rate of Turnover | 8 Times |

Required:

Calculate:

- (a) Closing Stock (05 marks)
(b) Cost of Sales (05 marks)
(c) Net Purchases (05 marks)
(d) Net Sales (05 marks)

END