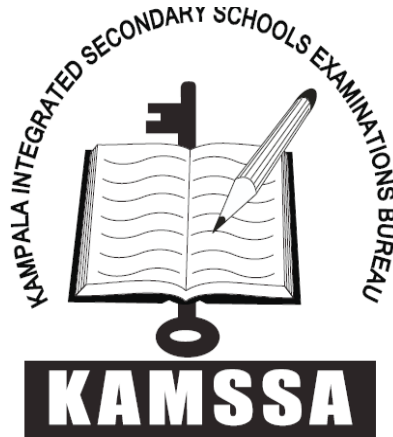


Candidate's Name: Index No.

School Name: Signature:

800/1
COMMERCE
Paper 1
JAN/FEB 2021
2½ hours



KAMSSA JOINT MOCK EXAMINATIONS

Uganda Certificate of Education

COMMERCE

Paper 1

2 hours 30 minutes

INSTRUCTIONS TO CANDIDATES

*This paper consists of **two** section A and B*

*Answer all questions in section A and any **Four** questions from section B Answer 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.

SECTION A: (20 MARKS)

1. What type of merger is created when a tea processing firm and a fish processing plant combine?
A. Lateral
B. Conglomerat
C. Vertical
D. Horizontal
2. Retail outlets which specialize in selling products of Mukwano Enterprise are classified under
A. Supermarkets
B. Multiple
C. Departmental stores
D. Tied shops
3. A situation where a country buys more goods from trade partners than it sells is called
A. Unfavourable balance of
B. favourable balance of
C. Unfavourable terms of trade
D. favourable terms of trade
4. Services of the Uganda Police are examples of
A. secondary production
B. tertiary
C. primary production
D. direct production
5. The type of large-scale retail trade in which there is a central control over shops working under different units is known as
A. Super market
B. departmental
C. multiple shops
D. tied shops
6. When government wants to protect consumers against being over charge, it
A. increases taxes on consumers' incomes
B. imposes high taxes on goods
C. eliminates imports completely
D. extends subsidies to consumers
7. The value of any share written on its face is known as
A. nominal value
B. market
C. dividend yields
D. advisory
8. Which of the following means of payment is offered by only the post office?
A. Partnership
B. public limited
C. Co-operatives
D. Public co-operation
9. The business where profits are shared according to members' participation is called a
A. partnership
B. public limited
C. co-operatives
D. public co-operation
10. Containerization in transport is associated with
A. higher freight charges
B. reduced customs duty
C. increases insurance risks
D. easier loading and
11. The arrangement among the insurance companies to spread the risk is known as
A. co-insurance
B. re-insurance
C. over-insurance
D. under-
12. Kato bought 100 boxes of bread at shs.30,000 per box. Trade discount of 20% and cash discount of 10% were offered. How much did he pay?

- | | |
|------------------|-----------------|
| A. shs.1,680,000 | B. shs.2,160,00 |
| C. shs.2,400,000 | D. shs.3,000,00 |

13. The price quotations which includes all expenses to the nearest railway station is known as
- | | |
|----------|---------|
| A. F.A.S | B. F.O. |
| C. C.I.F | D. F.O. |
14. Which one of the following is not a short-term source of finance for a business?
- | | |
|-------------------|---------------|
| A. Bank draft | B. credit |
| C. Salary advance | D. Debentures |
15. Identify the document which governs the rules and regulations for the internal organisation of a company.
- | | |
|------------------------------|---------------------------------|
| A. Memorandum of Association | B. Articles of Association |
| C. Partnership deed | D. Certificate of Incorporation |
16. "Cigarettes smoking is dangerous to your life." This warning on packets of cigarettes is a form of
- | | |
|--------------------|-----------------------------|
| A. consumer survey | B. consumer protection |
| C. sales promotion | D. persuasive advertisement |
17. A written order from one person to another to pay a named third party a specified sum of money is known as
- | | |
|---------------------|-------------------|
| A. promissory note | B. demand |
| C. bill of exchange | D. bill of lading |
18. The machines and equipments are example of
- | | |
|---------------------|-----------|
| A. entrepreneurship | B. capita |
| C. labour | D. land |
19. The following are negotiable instruments except
- | | |
|---------------------|------------|
| A. bill of lading | B. bill of |
| C. promissory notes | D. cheque |
20. What organisation is responsible for the buying and selling of shares and stocks in Uganda?
- | | |
|---------------------------------|--------------------------------|
| A. Uganda Revenue Authority | B. Uganda Insurance Regulatory |
| C. National Bureau of Standards | D. Capital Markets Authority |

SECTION B

21. (a) Draw a diagram showing the division of commerce. (08 marks)
(b) What six factors will influence a buyer to choose a particular commodity in the market? (12 marks)
22. (a) Describe five types of small-scale retailers in Uganda. (10 marks)
(b) Explain five disadvantages of small-scale retail trade. (10 marks)
23. (a) Explain five services a wholesaler offers to a manufacturer. (10 marks)
(b) Give any five circumstances under which a wholesaler may not be necessary in the chain of distribution. (10 marks)
24. (a) Give the differences between a private limited company and a public limited company. (10 marks)
(b) Explain five advantages of private limited company over other forms of business units. (10 marks)
25. (a) Explain the functions of the Banks of Uganda. (10 marks)
(b) Describe five methods used by Bank of Uganda to control commercial (10 marks)
26. (a) Differentiate between the following as used in insurance
(i) Endowment policy and whole life policy (04 marks)
(ii) Over-insurance and under insurance (04 marks)
(iii) Subrogation and proximate cause (04 marks)
(b) Explain any four services of insurance companies offered to the business community. (08 marks)
27. (a) Describe the four types of warehouses. (08 marks)
(b) Explain six ways in which warehousing aids trade in Uganda. (12 marks)

28. **MR. FOX's BALANCE SHEET AS AT 31ST DECEMBER 2015.**

<u>Liabilities</u>	<u>Shs</u>	<u>Assets (Fixed)</u>	<u>Shs</u>	<u>Shs</u>
Capital	110,000	Motor vehicle		100,000
<u>Long term liabilities</u>		<u>Current Assets</u>		
Loans (to firm)	50,000	Stock	60,000	
		Debtors	28,000	
		Bank	24,000	
		Cash	8,000	
<u>Current liabilities</u>				
Creditors	60,000			120,000
	<u>220,000</u>			<u>220,000</u>

You are provided with the following information:

- (i) Opening stock value at shs.32,000
- (ii) Purchases for the year shs.120,000
- (iii) Returns outwards amounted to 2.5% of purchases. Calculate the:
 - (a) Net purchases (04 marks)
 - (b) Cost of sales (04 marks)
 - (c) Average stock (04 marks)
 - (d) Rate of stock turn to the nearest whole number (04 marks)
 - (e) working capital (04 marks)

END