2 ½ HRS

Uganda Certificate of Education COMMERCE TIME: 2 hours 30minutes

Instructions to candidates;

- This paper consists of **two** sections **A** and **B**.
- Answer all questions in A and any four questions from B.
- Questions in section B carry **equal** marks.
- You may lose marks due to untidy work.

SECTION A (20 MARKS)

1.	An itinerant trader is the one who A) sells goods in bulk B) stocks goods from one product C) enjoys limited liability D) has no specific premises			
2.	 Which of the following function of the wholesaler benefits the consumer? A) extending credit facilities to the consumers B) buying goods in large quantities and selling them in small quantities C) helping in keeping prices of goods stable D) transporting goods to consumers' premises 			
3.	The type of business where profit participation is called a; A) partnership C) co-operative	B) p	hared according to members' ublic limited company ublic corporation	
4.	Invisible trade refers to trading in A) smuggled goods B) C) perishable products D)	service		
5.	A limited partnership is a business in which; A) at least one partner enjoys limited liability B) there are no liabilities C) all partners have unlimited liability D) all partners enjoy limited liability			
6.	Miners are classified under; A) tertiary producers C) direct producers	•	econdary producers rimary producers	
7.	Stock, cash, debtors and bank ba A) working capital C) current liabilities		s in a business are part of; urrent assets D) fixed assets	

8. 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 2,400,000

C) shs 2,160,000

D) shs 3,000,000

9. Producers will offer more goods for sale when the prices are;

A) low

B) stable

C) fluctuating

D) high

10. Which one of these business units is most appropriate for firms offering goods and services that call for personal supervision and tastes;

A) partnership

B) sole-proproetorship

C) friendly society

D) public limited company

- 11. Which of the following is a feature of cash and carry wholesale business?
 - A) offers self-service facilities
 - B) extends credit facilities
 - C) provides delivery facilities
 - D) sells goods in bulk
- 12. Determine the working capital of a business with the following assets;

Cash is shs 5,600

Stock is shs 15,000

Creditors are valued at shs 4,200

Debtors are valued at shs 2,400

A) shs 20,600 C) shs 22,400 B) shs 18,800

C) shs 22,400 D) shs 23,000

- 13. The advantage of using telephone services in business transactions is that, they;
 - A) allow face to face communication
 - B) provide a record of communication
 - C) enable detailed communication at a very low cost
 - D) enable immediate feedback to be received
- 14. Which of the following is not an objective of a business firm?
 - A) attainment of equitable distribution of a country's income
 - B) profit maximization
 - C) fulfillment of social obligations
 - D) modernization of wealth

15. A mobile shop is;A) a wholesale shopC) a small shop	B) a retail shop D) a speciality shop		
	Calculate the value of goods available for sale where opening stock is shs 50,000, purchases is shs 280,000 and closing stock is shs 40,000		
A) shs 290,000	B) shs 370,000		
C) shs 240,000	D) shs 330,000		
17. Misunderstandings among partners can be solved by; A) eliminating some partners B) the decisions of the quasi partners C) referring to the partnership deed D) dissolving the partnership			
18. The process of production is compA) premises of the retailerB) final consumerC) wholesalerD) bonded warehouse	plete when the goods reach the;		
19. A document sent to the buyer by the seller showing goods returned and effecting reduction in the invoice is called a; A) debit note B) credit note C) delivery note D) package sheet			
20) Cash discount is allowed by a seller in order to encourage customers to;			
A) buy regularly	B) buy in large quantities		
C) settle their bills promptly	D) buy on cash basis only		

SECTION B:

21.	. a) Define retail trade.	(2marks)
	b) Describe four examples of large scale retailers.	(8marks)
	c) Explain five distinguishing features between small sca	ale retailers
	and large scale retailers.	(10marks)
		(=======)
22	. a) State four features of an open cheque.	(4marks)
	b) Give any four benefits of a crossed cheque to a busine	` ,
	5, 61.10 daily 10 da 501101100 01 dt 010000 dt 011040 00 dt 0101111	(4marks)
	c) Explain the functions of the Central bank in your cou	` ,
	e, Explain the fairctions of the Central Saint in your coo	(12marks)
		(1211101110)
23	. a) Distinguish between direct and indirect taxes.	(4marks)
20	b) Explain four principles of a good tax system in your of	` ,
	b) Explain four principles of a good tax system in your c	(8marks)
	c) Give four benefits of taxes in the development of your	` ,
	c) dive loar beliefits of taxes in the development of your	•
		(8mark)
24	. a) What is regional trade?	(2marks)
41	b) Explain six benefits of economic integration.	(12marks)
	c) Give six disadvantages of economic integration.	(6marks)
	c) dive six disadvantages of economic integration.	(Olliai KS)
25	. a) Explain the following policies as used in insurance:	
40	i) Employer's liability	(2marks)
	ii) public liability	(2marks)
	iii) Endowment	(2marks)
	,	` ,
	iv) Whole life b) Explain any six factors to be considered when determined to be considered when determined to be considered	(2marks)
	b) Explain any six factors to be considered when determine the basis of the state o	_
	premium to be paid by the insured.	(12marks)
06	a) List form differences between a private limited compar	arr and
40	. a) List four differences between a private limited compar	=
	partnership business.	(8marks)
	b) What are the advantages of a partnership business ov	
	types of business units?	(12marks)
07) To 1 ' 41 C 11 ' 4	
27	. a) Explain the following terms;	(0 1)
	i) Primary co-operative society	(2marks)
	ii) Secondary co-operative societies	(2marks)
	b) Give four principles of co-operative societies.	(8marks)
	c) Explain the problems faced by co-operative societies in	_
		(8marks)

- 28. a) Distinguish between working capital and circulating capital as used in commerce. (4marks)
 - b) The following extracts are from the books of Mr. Konte a trader in Apac for the year ended 31st December, 2000.

	Sns
Stock 31st Dec, 1999	122,000
Average stock for the year 2000	104,000
Purchases	1,480,000
Sales	1,840,000
Return outwards	38,000
Returns inwards	14,000
Year's expenses	114,000

Determine;

i) Cost of goods sold	(3marks)
ii) Turn over	(3marks)
iii) Gross profit ratio	(2marks)
iv) Net profit ratio	(3marks)
v) Mark-up	(2marks)
vi) Rate of stock turn	(3marks)

****END****