

800/1  
S4 COMMERCE  
June/July, 2019  
2½ hours

Uganda Certificate of Education  
RESOURCEFUL MOCK EXAMINATIONS 2019  
COMMERCE  
2 hours 30 minutes

INSTRUCTIONS

- Section A is compulsory
- Choose any **four** questions from section B
- All questions carry equal marks
- Answers for both sections should be written on the answer sheet provided.

## SECTION A (20 MARKS)

1. Which factor of production is responsible for bearing risks of the business?
  - A. Land
  - B. Labour
  - C. Capital
  - D. Entrepreneurship
  
2. The distribution, exchange of goods and services, and activities that help in the movement of goods from the producer to the consumer is known as
  - A. production
  - B. commerce
  - C. Aids to trade
  - D. trade
  
3. The following factors affect the demand for a commodity except
  - A. income of consumers
  - B. price of the commodity
  - C. income of the producers
  - D. price of substitute goods
  
4. Identify the document issued by the seller to the buyer when goods are sold on credit
  - A. invoice
  - B. credit note
  - C. receipt
  - D. debit note
  
5. A retail unit which sells only products from one manufacturer is called
  - A. single shop
  - B. tied shop
  - C. super market
  - D. mobile shop
  
6. The organization responsible for controlling the quality of goods produced and imported in Uganda is
  - A. Uganda National chamber of Commerce
  - B. Uganda Investment Authority
  - C. Uganda National Bureau of Standards
  - D. Uganda Revenue Authority
  
7. Which of the following documents acknowledges receipt of the goods by the shipper
  - A. Bill of lading
  - B. Freight note
  - C. Air way bill
  - D. Bill of exchange
  
8. When a company is limited by share it means that
  - A. the share sold by the company are limited
  - B. the shareholders liability is limited to the amount of capital contributed to the company
  - C. each shareholder guarantees to pay a fixed sum of money to the company in case of debts
  - D. shareholders can sell their shares to the public to pay the company debts.

9. The difference between a country's total receipts and total payments abroad in one year is known as
- Balance of trade
  - Visible trader
  - Balance of payment
  - Terms of trade
10. Which partner contributes capital, shares profits of the partnership but does not participate in the day to day management of the business?
- minor partner
  - dormant partner
  - quasi partner
  - general partner
11. The place where goods are loaded and off loaded is called the
- way
  - terminal
  - method of propulsion
  - unit of carriage
12. Given;
- Opening stock shs.410,000  
Closing stock shs.230,000  
Sales shs.970,000  
Purchases shs.740,000
- Determine the value of goods available for sale
- shs.1,150,000
  - shs.920,000
  - shs.1,480,000
  - shs.1,380,000
13. Which of the following types of warehouses is owned by private individuals but can be used by anybody to store their goods temporarily?
- pubic ware house
  - private ware house
  - bonded ware house
  - wholesaler warehouse
14. Which medium of advertising is suitable for solar lamps in a rural area?
- magazines
  - internet
  - television
  - radios
15. The value of unsold goods at the end of a trading period is called
- opening stock
  - rate of stock turn
  - average stock
  - closing stock

16. What is the value of current asset to a business which has the following records
- Cash shs.300,000
  - Loan shs.750,000
  - Stock shs.100,400
  - Creditor shs.5,700
  - Debtor shs.2,500
- A. shs.333,600  
 B. shs.406,000  
 C. shs.402,900  
 D. shs.477,900
17. The form of installment selling where the seller owns the property until the final installment is paid is
- A. deferred payment
  - B. credit transaction
  - C. hire purchase
  - D. future deal
18. The generation of gas from animal manure can be classified under
- A. primary production
  - B. secondary production
  - C. tertiary production
  - D. direct production
19. Which of the following is an advantage of a partnership?
- A. unlimited liability
  - B. making no losses
  - C. quick decision making
  - D. pooling resources
20. A business is said to be insolvent when it has
- A. more assets than liabilities
  - B. more liabilities than assets
  - C. equal amount of assets and liabilities
  - D. more fixed assets than current assets

### SECTION B (Choose any four questions)

21. (a) State five differences between sole proprietorship and partnership as forms of business units. (10 marks)
- (b) Under what circumstances may a partnership be dissolved? (10 marks)
22. (a) Give eight reasons why the government of Uganda controls the volume of imports. (08 marks)
- (b) Explain any six methods used by the government of Uganda to control its imports (12 marks)
23. (a) Define the term localization of industries (02 marks)
- (b) Explain any five advantages and four disadvantages of localization of industries (18 marks)

24. (a) Explain the factors that limit effective communication among traders in Uganda (10 marks)  
 (b) State and explain any five importance of effective communication in the development of trade and commerce (10 marks)
25. (a) Describe any five types of wholesalers (10 marks)  
 (b) Under what circumstances may wholesalers be eliminated from the chain of distribution. (10 marks)
26. (a) Explain any four types of distribution channels used by traders in Uganda (08 marks)  
 (b) State and explain the factors considered when selecting distribution channel. (12 marks)
27. (a) (i) Distinguish between Demand and Supply (04 marks)  
 (ii) State the law of;  
                   (i) Demand (02 marks)  
                   (ii) Supply (02 marks)  
 (b) Explain any six factors that influence quantity supplied of a commodity (12 marks)
28. (a) Distinguish between a Balance sheet and Income statement (04 marks)  
 (b) Sarah a retailer had the following records as at 30<sup>th</sup>/June 2018
- |                    |           |
|--------------------|-----------|
|                    | shs.      |
| Sales              | 1,500,000 |
| Average stock      | 120,000   |
| Returns inwards    | 75,000    |
| Rate of stock turn | 6 times   |
| Experience         | 90,000    |
| Purchases          | 600,000   |
| Returns outwards   | 45,000    |
- Determine:
- (i) Turn over (03 marks)  
 (ii) Net purchases (03 marks)  
 (iii) Cost of sales (03 marks)  
 (iv) Gross profit (03 marks)  
 (v) Net profit ratio (04 marks)

END