

**800/1**  
**Commerce**  
**2½ hour**

**ACEITEKA MOCK EXAMINATIONS 2019**

**UGANDA CERTIFICATE OF EDUCATION**

**800/1: COMMERCE**

**TIME: 2 HOURS 30 MINUTES.**

**INSTRUCTIONS:**

- *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 booklets **or** answer sheets 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)**

*Answer **all** questions in this Section.*

*Write the letter corresponding to the correct answer for each question in the answer booklet or answer sheets provided.*

1. The creation of utility in a commodity refers to
  - A. Consumption.
  - B. Production.
  - C. Demand.
  - D. Supply.
2. Identify the level of production under which Insurance brokerage is classified
  - A. Secondary.
  - B. Extractive.
  - C. Tertiary.
  - D. Primary
3. The following factors lead to high demand for a commodity **except**
  - A. High price of a substitute good.
  - B. Expectation of a higher price in the future.
  - C. High level of consumers' income.
  - D. High price of a complement.
4. The document which a Supplier uses to increase the invoice price is called
  - A. Credit note
  - B. Advice note
  - C. Debit note
  - D. Delivery note.
5. Traders who sell goods from one place to another while using a form of transport are called
  - A. Market vendors.
  - B. Peddlers.
  - C. Street Sellers.
  - D. Hawkers.
6. Local industries are protected from foreign competition through the following ways **except**
  - A. using import quotas.
  - B. undertaking privatization.
  - C. imposing heavy tariffs.
  - D. fixing a total trade ban.
7. The excess of the value of Visible imports over the value of Visible exports is termed as
  - A. unfavourable Balance of trade.
  - B. favourable Terms of trade.
  - C. unfavourable Balance of Payments.
  - D. favourable Balance of Payments.
8. What is the maximum number of partners in a Professional Partnership?
  - A. Seven
  - B. Ten
  - C. Twenty
  - D. Fifty

9. A reply to an Inquiry that is more informative, illustrative and detailed is known as
- A. Prices Current.
  - B. Catalogue.
  - C. Quotation.
  - D. Price List.
10. Which Price quotation requires an importer to meet all expenses after goods have left the factory?
- A. Ex-works
  - B. Cost and Freight.
  - C. Free Alongside Ship
  - D. Free on Board.
11. What type of merger is formed when a shoe making firm combines with another firm that produces shoe polish?
- A. Lateral.
  - B. Conglomerate.
  - C. Vertical
  - D. Horizontal.
12. The reward paid by Joint stock companies to Debenture holders is called
- A. Commission.
  - B. Dividend.
  - C. Brokerage.
  - D. Interest.
13. The agreement between a ship owner and the hirer of a ship to carry cargo to a specified place in a given period of time is called
- A. Bill of lading.
  - B. Charter party.
  - C. Consular invoice.
  - D. Calling forward note.
14. Given Mark-up of **25%**, Cost of sales **shs 4,800,000** and overheads **shs 500,000**. Determine the value of sales.
- A. shs 1,200,000
  - B. shs 1,700,000
  - C. shs 6,000,000
  - D. shs 700,000
15. What is the **most** suitable medium of advertising a new brand of **Toyota Land Cruiser** vehicle in Uganda?
- A. Radio.
  - B. Bill boards.
  - C. Television.
  - D. Posters.
16. Stock, cash, debtors and expenses paid in advance in a business enterprise constitute its
- A. Working capital.
  - B. Capital employed.
  - C. Current Liabilities
  - D. Current assets.

17. Calculate **Purchases** given a trader's records as: Opening stock shs 650,000; Closing stock shs 450,000 and Cost of goods sold shs 3,000,000.
- A. shs 2,800,000  
B. shs 3,450,000  
C. shs 3,200,000  
D. shs 4,100,000
18. An instruction by a Current account holder to a bank to pay certain regular commitments from his or her account to specified firms is called
- A. Credit transfer.  
B. Bank draft.  
C. Standing order.  
D. Electronic Fund Transfer.
19. Which **one** of the following is an example of a Direct tax in Uganda?
- A. Value Added Tax.  
B. Pay As You Earn.  
C. Transit tax.  
D. Import duty.
20. The transfer of ownership of state enterprises to individuals is referred to as
- A. Nationalisation. B. Localisation. C. Privatisation. D. Franchising.

### SECTION B (80 MARKS)

*Answer any **four** questions from this section.*

21. (a) Distinguish between the following terms as used in Commerce:
- (i) Demand and Supply (02 marks)  
(ii) Substitute goods and Complementary goods (02 marks)
- (b) Explain any **eight** factors that may lead to high supply of a commodity on the market. (16 marks)
22. (a) Differentiate between **Visible trade** and **Invisible trade**. (02 marks)
- (b) Explain any **five** merits of tourism trade in Uganda. (10 marks)
- (c) Give any **four** problems faced by the tourism sector in Uganda. (08 marks)
23. (a) Explain any **four** securities sold on the Stock exchange market. (08 marks)
- (b) Explain any **six** roles of the Stock exchange market in a country. (12 marks)

24. (a) Mention any **four** examples of Parastatal bodies in Uganda. (04 marks)
- (b) Explain five differences between a **Public Limited Company** and **Public Corporation**. (04 marks)
- (c) Give any **six** reasons why Privatisation of Public enterprises was carried out in Uganda (12 marks)
25. (a) Explain the importance of Bonded warehouses to the:
- (i) Government (04 marks)
- (ii) Importers (04 marks)
- (b) Describe any **six** qualities of a good warehouse. (12marks)
26. (a) Define the term **money**. (02 marks)
- (b) What are the functions of money? (08 marks)
- (c) Explain any **five** qualities of good money. (10 marks)
27. (a) Explain any **five** advantages of Road transport over Rail transport in Uganda. (10 marks)
- (b) Explain the role of transport in the development of trade in a country. (10 marks)
28. (a) Distinguish between the following:
- (i) Capital owned and Working Capital. (02 marks)
- (ii) Mark-up and Margin. (02 marks)

(b) . The records of Patongo Traders indicate:

Opening Stock	shs 396,400
Cost of sales	shs 4,785,900
Closing Stock	shs 374,800
Net sales	shs 5,250,600
Expenses	shs 320,000

**Calculate the:**

- (i) Net Purchases (04 marks);
- (ii) Gross profit (03 marks);
- (iii) Average stock (03 marks);
- (iv) Rate of stock-turn (03 marks);
- (v) Net profit (03 marks).

**END**