

UNEB U.C.E COMMERCE (paper 1) 2018

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

1. The distribution, exchange of goods and services, and activities, and the activities that help in the movement of goods from the producer to the consumer is known as

- A. production
- B. aids to trade
- C. trade
- D. commerce

2. Which factor of production is responsible for bearing the risks of the business?

- A. Land
- B. Labour
- C. Capital
- D. Entrepreneurship

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. income of the producers
- D. price of substitute goods

5. A retail unit which sells only products from one manufacturer is called a

- A. single shop
- B. tied shop
- C. Receipt
- D. Debit note

6. When a company is limited by shares, it means that

- A. the shares 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 a company in case of debts.
- D. shareholders can sell their shares to the public to pay the company debts.

7. The difference between a country's total receipts and total payments abroad in one year is known as
- A. balance of trade
 - B. visible trade
 - C. balance of payments
 - D. terms of trade.
8. Which partner contributes capital, shares profits of the partnership but does not participate in the day to day management of the business?
- A. Minor partner
 - B. Dormant partner
 - C. Quasi partner
 - D. General partner
9. Choose the document which acknowledges receipt of the goods by the shipper.
- A. Bill of lading
 - B. Freight note
 - C. Airway bill
 - D. Bill of exchange
10. 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.
11. A current account holder can instruct the bank to make regular monthly payments of electricity bills through a
- A. credit transfer
 - B. bank draft
 - C. post-dated cheque
 - D. standing order
12. The amount charged by a commercial bank on loans extended to its customers is termed as
- A. interest
 - B. bank rate
 - C. commission
 - D. under-insurance
13. The spreading of a risk among several insurance companies such that each takes only a portion of the risk in case of loss is called.

- A. co-insurance
- B. contribution
- C. re-insurance
- D. under-insurance

14. Which document is filled by a person applying for an insurance cover?

- A. Policy
- B. Cover note
- C. Proposal form
- D. Claim form

15. The place where goods are loaded and off-loaded is called the

- A. way
- B. terminal
- C. method of propulsion
- D. unit of carriage

16. Given;

	Shs
Opening stock	410,000
Closing stock	230,000
Sales	970,000
Purchases	740,000

Determine the value of goods available for sale.

- A. Shs, 150,000
- B. Shs, 920,00
- C. Shs, 1,480,00
- D. Shs, 1,380,000

17. Which of the following types of warehouses is owned by private individuals but can be used by anybody to store their goods temporarily?

- A. Public warehouses
- B. Wholesalers warehouses
- C. Private warehouses
- D. Bonded warehouses

18. What medium of advertising is suitable for solar lamps in a rural area?

- A. Magazines
- B. Internet
- C. Television
- D. Radio

19. The use of legal means by a tax payer to stop paying tax for using a particular product is called tax.

- A. incidence
- B. avoidance
- C. burden
- D. evasion

20. The value of unsold goods at the end of trading period is called

- A. opening stock
- B. rate of stock turn
- C. average stock
- D. closing stock

SECTION B

Answer any four questions from this section

21. a) State five difference between sole proprietorship and partnership as forms of business units.

b) Under what five circumstances may partnership be dissolved?

22. a) Give eight reasons why the government of Uganda controls the volume of imports.

b) Explain any six methods used by the government of Uganda to control its imports.

23 a) Differentiate between advertising and personal selling.

b) Explain five advantages of personal selling as a form of sales promotion.

c) Advise a trader on any six ways of making personal selling an effective form of sales promotion.

24. Explain any five:

a) benefits of insurance to a trader

b) circumstances under which the insurance company may refuse to compensate the insured.

25. a) Identify any four taxes collected by Uganda Revenue Authority (URA).

b) Explain any five roles of URA in the administration of taxes.

c) State any six measures used by URA to encourage traders pay taxes.

26. a) State eight advantages of using telephones as a medium of communication in trade.

b) Explain any five roles of URA in the administration of taxes.

c) State any measures used by URA to encourage traders pay taxes.

27. a) Define the term localization of industries.

b) Explain any five advantages and four disadvantages of localization of industries

28. a) State the purpose of each of the following to a trader:

i) Income Statement

ii) Balance Sheet

b) Jane, a retailer had the following records as at 30th June 2018.

	Shs
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Sales	1,500,000
Average stock	120,000
Returns inwards	75,000
Rate of stock turn	6 times
Expenses	90,000
Purchases	600,000
Returns outwards	45,000

Determine:

- i. Turnover
- ii. Net purchases
- iii. Cost of sales
- iv. Gross profit
- v. Net profit ratio