

UNEB U.C.E COMMERCE (paper 1) 2017

SECTION A

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

- 1. Identify the order in which human wants are satisfied.
- A. Consumption, Commerce, Production.
- B. Production, Commerce, Consumption.
- C. Consumption, Production, Commerce.
- D. Commerce, Production, Consumption.
- 2. The reward for the human effort used in the production of goods and services is called?
- A. rent
- B. interest
- C. wage
- D. profit
- 3. The quantity of a commodity an individual is willing and able to but at a given price in a given period time is referred to as
- A. demand
- B. consumption
- C. production
- D. supply
- 4. The method of payment where the buyer sends money for the goods on ordering for them is known as
- A. cash on delivery
- B. prompt cash
- C. spot cash
- D. cash with order.
- 5. Which of the following documents does a seller send to remind the buyer of the amount due?
- A. Bill of exchange
- B. Credit note
- C. Statement of account
- D. Debit note
- 6. The unit of a loan to a public limited company is known as
- A. stock
- B. debenture
- C. mortgage
- D. share
- 7. Which principle of co-operatives states that each member must have only one vote regardless of the number of shares?
- A. Limited interest on share capital
- B. Open and voluntary membership
- C. Dividend or repayment
- D. Democratic administration.
- 8. The re-exportation of goods which were previously imported is referred to as
- A. entrepôt trade
- B. bi-lateral trade
- C. internal trade
- D. multi-lateral trade
- 9. What act is used by the government of Uganda to protect consumers from buying inferior goods?
- A. Weights and Measures Act.
- B. Trade Descriptions Act.
- C. Sale of Goods Act.
- D. Food and Drugs Act.

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- 10. When a country sells goods to a foreign country at prices that are lower than prices in the home market, this practice is called
- A. devaluation
- B. smuggling
- C. customs drawback
- D. dumping
- 11. The transfer of ownership of state enterprises to individuals and firms is known as
- A. centralisation
- B. privatization
- C. delocalization
- D. nationalization
- 12. Ships that carry goods from anywhere without following a fixed route and timetable are called
- A. tramp steamers
- B. tankers
- C. marine ships
- D. cargo liners
- 13. A business that continues operating when the value of its assets is lower than its liabilities is said to be
- A. bankrupt
- B. insolvent
- C. solvent
- D. liquidated
- 14. Which insurance policy is only responsible for compensating a pedestrian knocked by a speeding car but not the car owner?
- A. Comprehensive
- B. Endowment
- C. Third party
- D. Fidelity guarantee
- 15. The interest which the Central Bank charges on short term loans lent to commercial banks is known as
- A. cash ratio
- B. bank rate
- C. special deposits
- D. discount rate
- 16. Which of the following types of warehouses enables Uganda Revenue Authority to collect import duty?
- A. Bonded warehouse
- B. Public warehouse
- C. Wholesale warehouse
- D. Private warehouse
- 17. Determine a trader's margin given turnover Shs20,000,000, cost of sales Shs 12,000,000 and net profit Shs2,000,000
- A. 66.7%
- B. 50%
- C. 40%
- D. 30%
- 18. The amount charged by the Post Office for its postal orders is termed as
- A. interest
- B. demurrage
- C. commission
- D. poundage
- 19. Choose the aids to trade that aims at finding out the opinion of the public about a particular product.
- A. Communication
- B. Advertising
- C. Transport
- D. Market research.
- 20. Identify the tax which is levied on locally manufactured goods

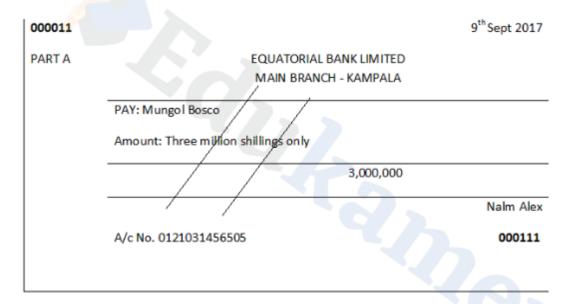
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- A. Excise duty
- В. Import duty
- C. Rental tax
- D. Pay As You Earn

SECTION B

Answer any four questions from this section.

- a) Differentiate between localization and delocalization of industries.
 - b) Give five advantages and three disadvantages of delocalization of industries.
- a) Outline any five contents of an order as a business document.
- b) Explain to a wholesaler any five sources of information about the credit worthiness of a retailer wishing to buy goods on credit.
 - c) State five circumstances under which a wholesaler may issue a credit note to the retailer.
- 23. a) Give eight reasons why Uganda trades with other countries.
 - b) Explain six problems faced by Uganda when trading with other countries.
- 24. Study the following specimen of a cheque and answer the questions that follow.



- a) Name the:
- Drawer
- ii) Payee
- iii) Drawee
- iv) Part ndented A
- b) State the purpose of:
- i) part A
- ii) the crossings in the cheque
- c) Explain six advantages of using cheques as means of payment to traders
- 25. a) Describe the elements of a good transport sytem.
- b) i) Identify a suitable mode of transport for each of the following commodities:
- I. Milk from Mbarara to Masaka
- II. Diamond from South Africa to the United states of America
- III. Containers from Japan to Mombasa port IV. Water from lake Victoria to Kampala city

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- ii) Give two reasons for the choice of each of the modes of transport mentioned in 25(b) (i) above.
- 26. a) Describe any five features of a good warehouse.
 - b) State any five roles of each of the following departments of warehouse:
- i) Secretary's Department.
- ii) Accounts Department
- 27. a) Explain any six qualities of a good tax system.
 - b) Give eight reasons why the government of Uganda collects taxes.
- 28. a) Identify any four sources of capital for a small-scale retail business.
- b) The following information was obtained from M. Okello's retail business for the period ending 31st December 2016.

Shs
680,000
60,000
144,000
52,000
1,280,000
72,000
218,000

Calculate:

- i) Average stock
- ii) Cost of Sales
- iii) Gross profit
- iv) Net Profit
- v) Mark-Up

Purchases

Returns inwards

Opening stock (01.01.2016)

Returns outwards

Slaes

Closing stock (31.12.2016)

Expenses