

DEPARTMENT OF COMMERCE

S.3 COMMERCE

TIME: 1 ½ HOURS

INSTRUCTION

- Answer all questions in section A and three question in section B including question 24

SECTION A

1. Ex-works prices include the cost of goods as they leave the.....
A. Custom bonded ware house C. Retailers premises
B. Country of origin D. Manufacture's factory
2. The form of combination where one company takes over the business of another company is called.....
A. Amalgamation B. Cartel C. Holding company D. ABSORPTION
3. Which of the following is not an establishment within the public sector?
A. Parastatal bodies C. public corporation
B. Local authorities D. public limited company
4. If two brothers each invests Shs 500,000 in a general partnership, what would be the liability of each, assuming non of them is a limited partner?
A. Unlimited B. Shs 250,000 C. Shs 500,000 D. Shs 1,000,000
5. Sharing of profits in acooperative society differs from other business units in that it depends on.....
A. Capital contributions
B. Whether profits is realized that season or not
C. The volume of sales or purchases a member makes with the society.
D. The number of shares one has in it.
6. A bill of lading is.....
A. An indent
B. A document of title which evidence the ownership of goods
C. A certificate of inspection
D. A bill for goods in international trade
7. Maximum share capital of a company is alternatively known as.....
A. Paid up capital C. Issued capital
B. Registered capital D. called up capital

8. An accumulative preference share holders has missed dividends over the last three years due to lack of profits. If he holds fifty shares of Shs 25000 each at a rate of 16%, how much dividends will he get this year?
 A. 200,000 B. 300,000 C. 600,000 D. 120,000
9. The unifying feature between partnership and a private limited company is that
 A. The members have a limited liability
 B. They have to publish books of account
 C. They are owned by share holder
 D. They have a minimum of 2 members
10. What type of mergers is created when a fish processing firm and a bicycle assembling plant amalgamate?
 A. Lateral B. Conglomerate C. Vertical D. Horizontal
11. Ayesiga Robert bough goods and paid Shs 85,000? he was given a trade discount of 10% and a cash discount of 5%. What was the cost of the good?
 A. Shs 100,000 B. Shs 72,675 C. Shs 99,415 D. Shs 72,250
12. The exchange value of commodity in money terms is known as.....
 A. Demand B. Price C. Utility D. Consumptions
13. The main disadvantages of departmental stores to the consumer is that they
 A. Are mostly located in urban area
 B. Require large capital for establishment
 C. Do not offer variety of goods
 D. Offer goods at fixed prices.
14. Which of these is the most business undertaking for firms offering professional services?
 A. Sole proprietorship C. A parastatal body
 B. A partnership D. A private limited company
15. The following are functions of a broker except
 A. Linking buyers and sellers
 B. Promotion of trade
 C. Acting on behalf of the principal
 D. Making payment for goods
16. Three companies Kibimba C.Ltd which grows pineapple and oranges, Ngetta Co. Ltd which deals in fruit canning and Bukulu Co Ltd who are exporters of fresh and canned fruits wish to operate in one name and hence have combined business. What type of integration would be most appropriate for them? A.....

- A. Cartel B. vertical merging C. Consortium D. Horizontal merging
17. Why is it necessary to create a custom union? To.....
- Have one government and political union
 - Create a large market for producers
 - Collect more money from imports
 - Keep out foreign products
18. Ms. Nabasirye Halima had the following business records
 Opening stock Shs 7,000,000
 Closing stock Shs 3,000,000
 Calculate the rate of turn over
- A. 2.26 times B. 1.4 times C. 22.6times D. 3.6tims
19.stipulates the powers and limitations of a company which governs its relationship with the outside world.
- Certificate of incorporation
 - Memorandum of association
 - Trading license
 - Articles of Association
20. The type of sale where a leading giant firm sets prices and other firms follows is called
- Auctioning
 - Haggling
 - Re0sale price maintenance
 - price leadership
21. Musajjawaza traders bought 50bags of sugar at Shs 80,000 each. They were allowed 10% trade discount and 5% cash discount. How much did they pay for the goods
- A. Shs 3,600,000 B. Shs 3, 200,000 C. Shs 4,000,000 D. Shs 4,400,000

SECTION B

22. (a) Distinguish between the following types of shares
- Cumulative preference shares and Non-cumulative preferences
 - Redeemable preferences shares and irredeemable preferences shares
- (b) Explain the merits of limited companies over partnership as forms of business organizations
23. (a) Distinguish between the following terms
- Caveat emptor and Caveat vindicator
 - Consumer cooperative societies and consumer associations
- (b) Explain the reasons why consumers need protection
- (c) Explain the methods used by the consumers to protect themselves from exploitations

24. The procurement officers of Mandela S.S P. O. Box 409 Hoima wishes to buy from Mukwano industries limited P. O. Box 2081 Kampala, the following items

21 boxes of mukwano bars soap Shs 20,000

16 tins of mukwano teabags Shs 10,000

40 cartoons of cooking oil each Shs 4000

5 boxes of mukwano Jelly each Shs 72,000

(a) (i) What document will be prepared by the procurement officer before making an order?

(ii) Give the main use of the document in (a) (i) above

(iii) What is the name of the document made in response of the document in (a) (ii) above?

(b) Give the reasons why the buyer may return the goods to the seller?

A firm had the following records as at 31st Dec 2019

Stock 01/01/2019	Shs 182,400
Stock 31/02/2019	Shs 213,600
Purchases	Shs 1,382,900
Sales	Shs 1,966,900
Returns in wards	Shs 51,000
Returns outwards	Shs 34,100

(a) Determine the firms'

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|--------------------------------|--------|
| (i) Turnover | (3mks) |
| (ii) Net purchases | (3mks) |
| (iii) Goods available for sale | (3mks) |
| (iv) Cost of sales | (3mks) |
| (v) Rate of stock turn | (4mks) |
| (vi) Margin | (4mks) |

END

SUCCESS IS SWEET BUT ITS SECRET IS SWEAT