

S.3 COMMERCE

Instructions:

Answer all questions in section A.

Choose any 2 questions in section B.

All answers must be written on a separate answer sheet.

SECTION A :(20 Marks)

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

1. The main purpose of production is to;

- A. Create utility
- B. Increase consumption
- C. Improve output
- D. Improve specialization

2. After –sales service is important because;

- A. It makes salesmen popular
- B. It enhances the quality of a company's product
- C. It enhances the quantity of a company's product
- D. It motivates consumers to buy the products.

3. Human wants can be classified into:-

- A. Basic and tertiary wants
- B. Basic and secondary wants
- C. Tertiary and secondary wants
- D. Basic, secondary and tertiary wants.

4. People exchange goods and services because:-

- A. Some commodities are in short supply while others are abundant
- B. It is a source of employment
- C. Preference of what others produced
- D. Producers specialize in one or a few commodities which they produce in surplus

5. Mr Mukasa was offered the following terms of sale,

A price of shs 2,000 less 10% trade discount and 5% cash discount after one month, 4% two months, thereafter net. If he paid at the end of the first month, how much did he pay?

A. Shs 1,800

B. Shs 2,000

C. Shs 1,728

D. Shs 1, 710

6. Which of the following is an example of secondary production?

A. University education

B. Teaching at a secondary school

C. Oil refining

D. Transportation

7. A tied shop is

A. A shop which sells goods to a selected number of customers

B. A shop which sells goods to a selected age group

C. A shop which sells only one variety of goods

D. A shop which sells goods from only one manufacturer

8. The main branches of commerce are

A. Production and exchange

B. Production and consumption

C. Buying, selling and Aids to trade

D. Home trade and foreign trade

9. The ability of a good to satisfy a human want is termed as

A. Production

B. Utility

C. Consumption

D. Demand

10. A retailer may be defined as a trader who

A. Sells goods in small quantities

B. Buys goods from a wholesaler

C. Sells goods to a consumer

D. Buys in large quantities

11. Land and capital are two factors of production. Which of the following provides a third factor?

A. Staff

B. Premises

C. Machinery

D. Vehicles

12. An example of specialization by commodity is

A. Factory worker

B. Machine repairer

C. Cotton producer

D. A producer in Jinja

13. Producers will offer more goods for sale when prices are

A. Low

B. Stable

C. Fluctuating

D. High

14. If an increase in the price of a commodity leads to a decrease in demand for another commodity, the two goods are said to be;

A. Complementary goods

B. Substitute goods

C. Consumer goods

D. Inferior goods

15. An establishment where one class of goods under one management is stocked is called;

A. Departmental store

B. Hyper market

C. Multiple shops

D. Supermarket

16. Wholesalers may be eliminated from the chain of distribution if the

- A. Goods are very cheap
 - B. Manufacturers use their agents
 - C. Demand for goods increases
 - D. Manufacturers are far from the consumers
17. The practice by large scale retailers to keep prices as low as possible is called
- A. Resale price maintenance
 - B. Minimum price legislation
 - C. Loss
 - D. Maximum price legislation
18. Which one of the following activities is an example of primary production?
- A. Road construction
 - B. Manufacturing
 - C. Teaching
 - D. Fishing
19. The bearing of risks in the production process falls on
- A. Capital owners
 - B. Labourers
 - C. Land owners
 - D. Entrepreneurs
20. Shell petrol stations in Uganda are examples of
- A. Tied shops
 - B. Departmental stores
 - C. Discount stores
 - D. Supermarkets

SECTION B (40 Marks)

Answer any two questions from this section

- 21. a) Who is an itinerant trader? (02marks)
- b) State the Characteristics of itinerant traders. (08marks)
- c) What are the qualities of an itinerant trader? (10marks)

22. a) Mention and explain what you would include under trade and Aids to trade. (10marks)

b) Give five reasons why the study of commerce is important. (10marks)

23. a) Differentiate between consumer goods and producer goods (04marks)

b) Explain eight factors that influence the supply of a commodity on the market (16marks)

24. a) Distinguish between division of labour and specialization. (08marks)

b) As the last link in the chain of distribution of goods from the producer, what possible services could a retailer give to:-

i) a wholesaler

ii) a consumer