

OUR LADY OF GOOD COUNSEL S.S.S GAYZA

S.3 COMMERCE 800/1

MID-TERM PAPER;1 ½ HOURS

ATTEMPT ALL THE QUESTIONS

NAME.....CLASS.....

1		6		11		16		21		26	
2		7		12		17		22		27	
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1. The reward for capital in the production process is
A. Interest
B. Profit
C. Rent
D. Wage
2. When the price of soft drink decreases consumers will
A. Stop buying
B. Decrease the quantity purchased
C. Increase the quantity purchased
D. Purchase a constant amount
3. Which of the following discounts is given to encourage debtors to pay promptly ?
A. Cash discount
B. Trade discount
C. Quantity discount
D. Commission
4. An importer in Uganda intending to place an order for animal drugs from Manyangwa Chemical industries in Nigeria would send
A. An open indent
B. A letter of credit
C. A closed indent
D. A proforma invoice
5. Which of the following documents contains the terms and conditions under which goods have been accepted for transportation by the shipping company?
A. Consignment note
B. Bill of lading
C. Charter party
D. Letter of hypothecation

6. The tax which is imposed on a product produced in Uganda is
 - A. Export duty
 - B. Advalorem tax
 - C. Sales tax
 - D. Excise duty
7. The form of instalment selling where a commodity becomes the property of the buyer as soon as a down payment is made is called
 - A. Hire purchase
 - B. Leasing
 - C. Auto-vending
 - D. Deferred payment
8. A shop which sells products of a particular manufacturer is called a
 - A. Multiple shop
 - B. Supermarket
 - C. Tied shop
 - D. Departmental store
9. Which one of these may not cause winding up of a limited liability company?
 - A. Partition from the creditor
 - B. Company's assets fail to cover its debts
 - C. One of its shareholders decides to sell his shares
 - D. Voluntary winding up by the share holders
10. The following are fundamental problems in economics EXCEPT
 - A. Production
 - B. Scarcity
 - C. Choice
 - D. Opportunity cost
11. Mathew produced a chair for his personal use. What type of production was he involved in
 - A. Tertiary production
 - B. Indirect production
 - C. Direct production
 - D. Primary production
12. Which one of the following is asset of Aids to trade
 - A. Communication, labour, Transport
 - B. Insurance, warehousing, Transport
 - C. Capital , entrepreneurship, land
 - D. Money and banking , wages, Salaries
13. A retailer who moves on foot from one place to another selling his goods is known as
 - A. Hawker
 - B. Peddler
 - C. Mobile shop
 - D. Road side seller
14. Which type of business is well known for its self-service system
 - A. Multiple shops
 - B. Supermarkets
 - C. Departmental stores
 - D. Mail order business
15. A shop, in fixed premises and owned by an individual is called a
 - A. Work canteen
 - B. Tied shop
 - C. Single shop
 - D. Mobile shop
16. Who is the last person in the chain of distribution
 - A. Manufacturer
 - B. Consumer
 - C. Retailer
 - D. Wholesaler

17. The process of giving a name to a product is referred to as
- A. Blending
 - B. Branding
 - C. Packaging
 - D. Sorting
18. The following can be used to reply an inquiry EXCEPT a
- A. Quotation
 - B. Price list
 - C. Catalogue
 - D. Credit note
19. Which document corrects an undercharge in the invoice
- A. Credit note
 - B. Debit note
 - C. Proforma invoice
 - D. Discount note
20. The difference between a country's visible import and visible export is referred to as
- A. Balance of trade
 - B. Terms of trade
 - C. Balance of payment
 - D. Intra-port trade
21. Which one of the following documents helps the Revenue authority to calculate import tax?
- A. Letter of credit
 - B. Consular invoice
 - C. Bill of lading
 - D. Freight note
22. A document that invites the public to subscribe for shares is called
- A. Memorandum of Association
 - B. Articles of association
 - C. Certificate of trading
 - D. Prospectors
23. Sole proprietorship benefits the owner because
- A. the business expands faster
 - B. quick decisions can be made
 - C. the owner has a wide knowledge of the business
 - D. it promotes specialisation
24. A debenture which has a specific property pledged against is called
- A. a mortgage debenture
 - B. an irredeemable debenture
 - C. a naked debenture
 - D. a redeemable debenture
25. Which one of the following pairs is a classification of a joint stock company?
- A. Registered and Private
 - B. Public and Registered
 - C. Registered and Statutory
 - D. Public and Statutory
26. A document which empowers a public limited company to start business is a
- A. Certificate of incorporation
 - B. Certificate of trading
 - C. Memorandum of Association
 - D. Articles of association

27. The following are advantages of sole proprietorship EXCEPT
- A. Enjoyment of limited liability
 - B. High level of flexibility
 - C. Enjoyment of all the profits
 - D. Quick decision making
28. The total value of shares issued is referred to as
- A. Issued capital
 - B. Nominal capital
 - C. Called up capital
 - D. Paid up capital
29. Which document lays down and defines the powers and regulations of a company
- A. An articles of Association
 - B. A Memorandum of association
 - C. Certificate of association
 - D. Certificate of trading
30. A partner who does not contribute capital but allows the partnership to use his name is called
- A. Quasi partner
 - B. Dormant partner
 - C. Limited partner
 - D. Active partner

End