

MARKING SCHEME

COMMERCE

SECTION A (part I)

Q1.D

Q2. D

Q3.B

Q4.C

Q5.C

5X2= 10MKS

PARTS II

Q[i] i,iii.

[ii] ii,i

[iii] iii,ii

[iv] iv,v

[V] v,iv

5x2 = 10mmks

SECTION B

Q1.a] cost of goods sold = opening stock + Net

Purchasing - closing stock

=840,000 + 2,330,00 – 970,000=2,200,000 A2

b] Gross profit = Net sales – cost of sales
 = 3,410 – 2,200,000 = 1,210,000

C] Average stock = $\frac{\text{opening stock} + \text{closing stock}}{2}$

2

$\frac{= 840,000 + 970,000}{2}$

2 = 905,000

d] Rate of stock turnover = $\frac{\text{cost of sales}}{\text{Average stock}}$

Average stock

Average stock = $\frac{\text{opening stock} + \text{closing stock}}{2}$

2

Rate of stock turnover = $\frac{2,200,000}{905,000}$

905,000 = 2 times

Q2. Different between private limited company and public limited company

- In private limited company ,shares are not transferrable while in a public limited company , shares are transferable.
- In private limited company ,number range from 2 to 50,while in public limited company the number ranges from 7 to infinity
- Private limited company does not call upon the public for selling of shares while public limited companies are free to call upon public to buy shares.

- Privates limited company can not publish while public limited company can publish to the general public.
- Privates limited company employees are not free to buy shares while public limited company are free to buy shares .
- Privates limited company are restricted to only fifty shares while public limited company can raise more capital.

Any three x 2 = 6mks

b] types of debentures are:

- Redeemable debenture Are those that can be brought by the companies that issue them after a given period of time.
- Naked debenture are those that are not secured i.e aproperty is pledge against them.
- Mortgage debenture Are those that are secured i.e some property is pledge against them.
- Irredeemable debenture are those that are never brought back by accompany.

Any 2x3 =6mks

C] Factors that give rise to international trade

- Difference in natural resources
- Need to dispose of surplus output to others countries.
- Demand for what a country does not have .
- Difference in skill among country.
- Technological differences.
- Uneven factors of production.
- Difference in climate conditions among the country.
- Need for foreign exchange to the finance development societies among country.
- Need to strengthen political , economical ,and social ties among countries.
- Difference in comparative advantage between the countries.

Any 4x2 =8mks.

Q3.a] Source of government revenue in south sudan.

- Taxes.... These are major source of the government revenue. they are both direct and indirect taxes.
- Fine and penaltiesthese are impose on laws breaker by courts of laws like defilers ,theft etc.
- License fees those are payment to the government to seek one,s permission to carryout profitable activities like trade and any other investment.
- Market dues.....these are payment made to the right to sell in a given market.

- Profit from public enterprises..... these are contracts internally or externally through borrowing from friendly countries, international institutions e.g imf world bank etc.

- Sales of state owned enterprises to privates individual.

- Gambling especially through a natural latterly

- Motor vehicles license

- Grants /donation

- Road tolls /bridge tolls

(Any 5x2 = 10mks)

b] merits and demerits of barter trade system .

i] Merits

- Its limits the risk of moving with money which can be easy stolen

- Encourage mutual understanding
- Its eliminate the burden of convert the local currency to foreign currency in case of international trade
- It minimize the details documentation ,hence low cost of operation
- It promotes specialization in production of goods and services.
- The buyers and sellers obtains goods and services they desire.

ii] Demerits

- They system require double coincidences of wants
- There is no standard measurement of commodities values ,hence the traders find it difficult to agree on time exchange of goods for goods .
- Some commodities cannot be acquired without destroying their values
- Some commodities are perishable as difficult to store for long period of time
- There is limited specialization
- There is also a problem in future trade ,increase payments are to be made in time of goods and services

Any 5x1 = mks

Q4.a] Methods used to protect consumers

i] Government initiated method

- Setting up standards
- Weight and measurement
- Food and drugs acts
- Trade description acts
- Public health acts

ii] consumers limited methods

- Forming consumers associations
- Boycotting exploitation
- Complains through courts

iii] Non-governmental organization

- South Sudan association of manufacturers
- To ensure that standards are maintained by producer and traders

Starting=1

Explanation=1mks

Any 5x2 =10

b] Importance of insurance to business

- Its give businessmen confidence to undertake business and protection against unforeseen risks
- The insurer benefit form insurance incomes and any profit
- It also provides employment opportunities
- One can use his insurance policy to borrow money from the bank as security
- It assist international trade and may contribute to a country invisible export .
- Insurance is mean of saving especially for life insurance policy
- Government get revenue from different insurance companies

Any 5x2 = 10mks

Q5.a] definition of terms.

i] Standing orders:

This is when the account holder instruct his members to pay a named person or to fixed sum of money at interval for a state period

ii] bank overdraft:

consumers with current accounts are sometimes allowed to draw more money out of their accounts than they have deposits

iii] credit transfer

This is when account holder instructs his banker to pay some people directly into their bank accounts

iv] cheque:

cheque is a written order by a drawer to his bank to pay on demand a specific sum of money to a person named on it.

v] Drawee;

This is the person who writes out a cheque for payment e. g account holder

5x2 = 10mks

b] function of central bank

- It is the sole issuer of a country's currency [legal tender]
- It is a lender of last resort
- It is a banker to the government and international agencies
- It gives advice to government and assists on financial matters
- It controls foreign exchange in the country
- It is a banker to the commercial banks
- It controls and directs a country's economic policy

Q6.a] stock exchange

It is a market where shares and securities are traded e.g. treasury bills, bonds

1x2 = 2mks

b] five types of wholesalers

i] general wholesalers

Deal with varieties of goods such as food stuff ,hardware ,clothing etc

ii] Specialized wholesalers

This handles a particular types of goods e.g hardware ,stationeryetc.

iii] Regional wholesalers

These are wholesalers who call goods within a particular region /area e.g county/state

iv] Nationwide wholesalers

These supply their goods to the retailers all over country

v] truck wholesalers

These carry only limited range of stock and combine selling ,delivery ,and collection .

vi] Rack wholesalers

These are wholesalers who specialized in supplying certain line of goods to certain types of retail store.

vii] Cash and carry wholesalers

These required retailers to go wholesalers, pick what they wants pay cash and carry away with their own purchase.

Any 4x2 =8

[C] Function of wholesalers to retailers

- Stocks a varieties of goods for the retailers in a reasonable quantity
- Store goods until they are required by retailers
- His convenience location enable retailers to get goods easily
- Advertises and displays goods for easy selling by the retailers
- Offered trade discount and a cash discount to retailers.

The end