

## MARKING GUIDE (C)

### SECTION A

#### PART 1 (10 MARKS)

- Q 1 A
- Q 2 A
- Q 3 D
- Q 4 A
- Q 5 D

5 x 2 = 10 MARKS

#### PART 11 (10 MARKS)

- Q (i) (i) IV
- (ii) (ii) III
- (iii) (iii) V
- (IV) (iv) ii
- (V) (V) i

5 x 2 = 10 MARKS

### SECTION B (80 MARKS)

- Q1 A) (I) Mark-up expression of gross profit over cost of goods sold
- Gross Profit
- $$= \frac{\text{Gross Profit}}{\text{Cost of Sales}} \times 100\%$$
- Gross profit = Excess of Net Sales over cost of goods sold
- Gross profit = Net sales – Cost of goods sold

(2Marks)

- (II) Fixed Assets:
- These are properties or revenue of the business that last for a long period of time example Land Building etc.

Current Assets:

These are properties or revenue of a business that last for a short period of time  
example Cash, Bank etc

(2Marks)

B) (i) Gross profit = 20% of Net Sales  
=  $20/100 \times 100,000,000$   
= 20,000,0000

(2Marks)

(ii) Cost of goods sold = Net sales – gross profit  
=  $100,000,000 - 20,000,000$   
= 80,000,000

(2Marks)

(iii) Net profit = Gross profit – Expenses  
=  $20,000,000 - 10/100 \times 20,000,000$   
=  $20,000,000 - 2,000,000$   
= 18,000,000

(2Marks)

(iv) Rate of turnover = Cost of goods sold

$$\frac{\text{Cost of goods sold}}{\text{Average stock}}$$

Average stock = Opening Stock plus Closing Stock divide by two  
=  $20,000,000 + 15,000,000$  divide by two  
=  $35,000,000$  divide by two  
= 17,500,700

Therefore =  $80,000,000$  divide by 17,500,000  
= 4.6 times

(4Marks)

(v) Mark – up = Gross profit divide by Cost of sales multiply by 100%  
=  $20,000,000$  divide by  $80,000,000$  multiply by 100%  
= 25%

(2Marks)

(C) (i) Return on capital = Net profit divide by two multiply by 100%  
=  $18,000,000$  divide by  $50,000,000$  multiply by 100%  
= 36%

(2Marks)

(ii) The business is viable to insert in it, because it yields 36 per cent profit on Capital invested.

(2Marks)

Q 2 a) Benefit of foreign trade

- South Sudan can buy import a variety of goods and exports to other Country
- South Sudan is able to export her surplus
- South Sudan is able to export her human labour technology

- It creates International Understandings between South Sudan and her trading Partners.
- During the time of calamities, South Sudan can get assistance from other Countries
- South Sudan can import Capital
- It create employment
- It improves standard of living in technology for South Sudan
- Government earns revenue

(10 Marks)

B) Measures that Government may take to control goods and services brought from other Countries

- Imposing/increasing import duty
- Import quarters/quantity restriction
- Import licensing procedures
- Import substitution
- Subsidizing local industries
- Imposing total ban on Imports

Any 5 x 2 = 10 Marks

Q 3 (a) Functions of South Sudan Chamber of Commerce

- It creates and expands foreign markets for the local producers
- It publishes business information through brochures and magazines aimed at advertising the product
- It links local business people with foreign market
- Advices members on technical issues pertaining business
- It assists local business of cook foreign investment opportunity
- It also presents collective issues concerning business to the government on behalf of business men
- It ensures that there is harmony among the business community by arbitrating over their grievances.
- It also organizes trade fairs both locally and internationally with a major aim of priority Commerce.

Any 5 x 2 = 10 Marks

(b) Clauses/Contents of Memorandum of Understanding

- Name clause – This states the name of Company with word limited at the end
- Objectives Clause – This spells out the reasons/aims/objectives for forming up a Company
- Location Clause – It shows the physical address where the company registration is found
- Limited Clause - This states that the liability of shareholders of the Company are limited to the amount which they have contributed to the Company
- Declaration Clause – This being the last clause states the desire of promoters to form themselves into a Company
- Capital Clause – This one shows the details about the capital of a Company

(Any 5 x 2 = 10 Marks)

- Q 4 (a) (i) Persuasive:
- This is form of advertising which doesn't just inform but also persuades the consumers to buy the commodity.
  - Informative advertising  
This is a kind of advertising designed to give a clear picture about the products
- (ii) Merits of advertising
- Advertising educates the public by informing them of what is available for buying
  - Assists the customer to get to know what to buy and from where
  - It creates awareness of commodities to buyers
  - It makes possible mass sales which lead to increase perfect for the firm

Any 5 x 2 = 10 Marks

- (b) Factors considered when choosing the medium of advertising
- The social class to which the medium appeal, newspaper appeals to ordinary people while television appeals to better off people
  - The age group to which the medium appeals, magazines appeal mostly to the youth
  - The agency of advertisement

Any 5 x 2 = 10 Marks

- Q 5 (a) Banking and Money
- (i) Banking  
This is service that is offered by banks or bank is financial Institution which offer services that accept money etc

(1 x 2 = 2 Marks)

- (ii) Money  
Money is the medium of exchange or anything generally acceptable to settle any debt or obligation

Any 1 x 2 = 2 Marks

- (b) Characters of Money
- Durability
  - Portability
  - Acceptability
  - Divisibility
  - Homogensability
  - Recognisability

(Any 4 x 2 = 8 Marks)

- ( c ) Four ways used by Central Bank of South Sudan to control money in Circulation
- Open market operation (OMO)

This refers to situation where the central participate in selling of government securities e.g. Treasury bills,

- Raising the bank rate which the central bank lend money to commercial banks
- Compulsory/Special deposit  
The central bank may direct commercial banks to deposit a certain percentage of their deposits with them
- Raising the cash ratio or legal reserve requirements  
Any commercial bank to operate must deposit a certain part of their deposit to central bank
- Selected Credit Control  
The central bank may also advise the commercial banks and other financial institutions to approve loans.

(Any 4 x 2 = 8 Marks)

Q 6 (a) Definitions of terms

(i) Oral Communication

This is made direct to a person through personal contact on telephone and radio etc

(2 x 1 = 2 Marks)

(ii) Written Communication

This takes different forms like letters, telegraphs, memos, telex messages etc

(1 x 2 = 2 Marks)

(iii) Audio Visual Communication

This is where the message is passed through signs and pictures e.g. Television

(1 x 2 = 2 Marks)

(iv) Formal Communication

Formal communication refers to passing of messages through a written means e.g. Letters, telegraphs, newspapers etc.

(1 x 2 = 2 Marks)

(b) Role played by Communication in business

- Enables a business to establish good reputation.
- It facilitates the laying of trade regulations,
- It helps to inform the producers of the likes and dislikes of consumers
- It creates good link between the firms and the outside world
- Links various markets so that shortage in one market can be covered by transfers of supplies from other markets
- Communication saves money and time which would have been wasted
- It enables producers and traders to cope up with competition since they are aware of market conditions

(Any 6 x 2 = 12 Marks)

