

**ST. MARGARET COLLEGE MAKERERE**  
**END OF TERM II EXAMS 2011**  
**S.1 COMMERCE**

**Time: 2hrs.**

**Instruction: Attempt all questions**

**SECTION A**

1. Which of the following is the reward for entrepreneurship?  
A. rent                      B. wages                      C. profit                      D. interest
2. Utility is defined as  
A. demand for a commodity                      B. ability to satisfy wants  
C. usefulness in production                      D. none of the above
3. What does market mean in commerce?  
A. a place where items are bought and sold  
B. buying and selling of goods and services  
C. a place where customers bargain overprice  
D. non of the above
4. Demand can be defined as the quantity of goods and services that  
A. satisfy human wants  
B. brought in markets  
C. consumers are willing to buy at a given price and given period of time  
D. are desired by the consumers
5. A consumer will demand a commodity which  
A. satisfies their needs                      B. is often scarce  
C. is sold in bulk                      D. has been extensively advertised.
6. The reward for use of land is  
A. profit                      B. rent                      C. interests                      D. wages
7. The bearing of risks falls on  
A. land owner                      B. house                      C. interest                      D. entrepreneur
8. Direct production means  
A. every one sells the goods and services  
B. one produces goods and services for own consumption  
C. goods and services are produced for others  
D. goods and services are produced directly to survive
9. Trade means  
A. Buying and selling of manufactured goods only  
B. selling goods and services to consumers.  
C. buying and selling of goods and services with the intention of making profits  
D. any activity undertaken to make profits.
10. Mining is an example of  
A. tertiary production  
B. secondary production  
C. direct production  
D. primary production
11. Subsistence production is  
A. production of goods for sale                      B. production for export  
C. production for own consumption                      D. production for exchange
12. \_\_\_\_\_ is the good used to produce other goods

A. capital good

B. consumer goods

C. free goods

D. final goods

13. The distribution of work among different people is called \_\_\_\_\_

A. division of labour

B. mobility of labour

C. standardization

D. customization

14. Human wants are \_\_\_\_\_

A. necessities of life

B. goods and services

C. direct services

D. self service

15. The selling of goods and services to final consumers is referred to as

A. wholesale trade

B. retail trade

C. self service

D. commission

16. Specialization can be defined as

A. is the concentration in production

B. the situation where person concentrates in the production of something it can do best and leave the rest to others

C. division of services

D. specialization by unit

17. Retail trade is

A. the buying of goods

B. retailing of services

C. is the buying of goods from wholesaler in large quantities and sell them in relatively small affordable quantities

D. home trade

18. Localization is

A. is the specialization

B. relatively cheap advantage

C. the concentration of industries

D. congestion in particular area

19. Goods are

A. tangible things produced with the purpose of satisfying human wants

B. consumerable

C. capitalization

D. substitutes

20. The law of demand states that

A. the higher the demand the higher the supply

B. the higher the price the lower the quantity demanded and the lower the price the higher the quantity demanded

C. the amount of goods that consumer are willing to eat

D. the superior goods

## SECTION B

21.a). Commerce is \_\_\_\_\_

b). Give reasons for the commerce

c). List the factors of production

22. What are the types of specialization?

b). Give advantages of specialization ?

23. List the quantities of retailers

b). What are the types of retailers

**END**