

### **Senior 3: COMMERCE**

HPack-06

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#### **SECTION: A**

1. A trader purchased goods worth Shs2.000.000 and was allowed a trade discount of 20%. Calculate how much was paid.
2. A firm invested Shs3.000.000 and after one year, it had earned Shs900.000 as profit. Only Shs300.000 was spent on rent. Calculate the rate of return on capital invested.
3. The main purpose of a cash discount to a seller is to:
  - A. sell in large quantities
  - B. attract more customers
  - C. encourage prompt settlement of bills
  - D. retain regular customers.

#### **SECTION B**

4. a) Distinguish between the following:
  - i) Consumer goods and Capital goods.
  - ii) Primary production and Secondary production.
- b) Explain any four factors of production indicating reward to each.

**END**

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