

## **TESTING EXERCISE -S4COMMERCE (BANKING)**

**Attempt all questions.**

**To be submitted on return to school.**

1a) Explain five reasons why the business community in Uganda prefers current accounts to fixed deposit accounts.

b) Describe the process of opening a current account.

2a) Outline any six merits and demerits of using a cheque as a means of payment.

b) Under what conditions may a cheque be referred to the drawer by the bank.

3a) Why are cheques not commonly used by the business community in Uganda.

b) Outline the problems faced by commercial banks in Uganda.

4a) Explain the benefits of commercial banks to consumers.

b) Give any five factors which managers of commercial banks may consider before giving loans to borrowers.