



MACHAKOS UNIVERSITY

**University Examinations for 2019/2020 Academic Year
SCHOOL OF BUSINESS AND ECONOMICS**

DEPARTMENT OF ACCOUNTING BANKING AND FINANCE

SECOND YEAR FIRST SEMESTER EXAMINATION FOR

CRAFT CERTIFICATE IN BUSINESS MANAGEMENT

CRAFT CERTIFICATE IN SUPPLIES CHAIN

BUSINESS FINANCE

DATE: 29/10/2020

TIME: 8:30 – 11:30 AM

INSTRUCTIONS:

ANSWER ANY THREE QUESTON

QUESTION ONE

Highlight the advantages and disadvantages of ordinary share capital as a source of finance

(10 marks)

QUESTION TWO

What are the advantages and disadvantages of preference shares as a source of finance? (10 marks)

QUESTION THREE

Write short notes on the following

- a) Trade credit
- b) Bank overdraft
- c) Bank loan
- d) Debentures

QUESTION FOUR

Discuss the objectives of a firm.