



MACHAKOS UNIVERSITY

University Examinations 2021/2022

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR FIRST TERM EXAMINATION FOR

CERTIFICATE IN PROCUREMENT SUPPLY CHAIN MANAGEMENT

1903/103: 1906/103: BUSINESS MANAGEMET

COMMERCE

DATE:

TIME:

INSTRUCTIONS TO CANDIDATES

*This paper consists of **TWO** sections; **A** and **B**.*

*Answer **ALL** questions in section **A** in the spaces provided after each question and any **FOUR** questions in section **B** in the answer booklet provided.*

SECTION A: (32marks)

*Answer **ALL** the questions in this section in the spaces provided.*

1. Outline **three** circumstances under which a sole proprietor may find it necessary to convert his business into a partnership. (3 marks)
2. State **three** features of land as a factor of production. (3 marks)
3. Highlight **three** ways in which the government may participate in business activities. (3 marks)
4. State **three** measures that the local authority may take to improve the quality of service that it offers to its residents. (3 marks)
5. State **three** features of chain store as a type of retail business. (3 marks)
6. Classify each of the following production activities according to their relevant levels of production. (3 marks)

Activity	Level of production
Constructing a road	
Cultivating a farm	
Manufacturing of cooking fat	

7. Highlight **four** ways in which a trader may benefit from warehousing services. (4 marks)
8. Motor cycles have become a popular means of transport in many areas in Kenya. State **three** reasons for this popularity. (3 marks)
9. List **three** types of information that should be contained in a commercial invoice. (3 marks)
10. List **four** characteristics of money. (4 marks)

SECTION B (68 marks)

*Answer any **FOUR** questions in this section in the answer booklet provided.*

11. (a) Explain **six** roles played by trade in the economy of a country. (9 marks)
- (b) Outline **four** roles played by commercial banks in facilitating home trade. (8 marks)
12. (a) Outline **six** ways in which commercial attaches may promote foreign trade in a country. (9 marks)
- (b) Outline **four** ways in which a large-scale maize farmer would benefit from warehousing. (8 marks)
13. (a) Explain **six** circumstances under which a manufacturer may find it appropriate to distribute his goods through wholesalers. (9 marks)
- (b) Outline four reasons that may account for the popularity of direct production in Kenya. (8 marks)
14. (a) Explain **six** features of a good warehouse. (9 marks)
- (b) Outline **four** circumstances under which cash payment may be appropriate to a trader. (8 marks)
15. (a) Describe **six** points on the advantages of indirect production (9 marks)
- (b) Explain **four** benefits of carrying out business transactions through e-commerce. (8 marks)