MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR SECOND SEMESTER CRAFT CERTIFICATE IN

CRAFT CERTIFICATE PROCUREMENT SUPPLY CHAIN MANAGEMENT

CRAFT CERTIFICATE IN HUMAN RESOURCE MANAGEMENT MODULE I

CRAFT CERTIFICATE IN BUSINESS MANAGEMET

COMMERCE

DATE: 15/4/2019 **TIME: 2:00 – 5:30 PM**

INSTRUCTIONS: answer five questions

*This paper consists of **TWO** sections; **A** and **B**.*
*Answer **ALL** questions in section **A** 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** disadvantages of using the railway as a mode of transport. (3 marks)

3. Highlight **three** ways in which the government may participate in business activities. (3 marks)

4. State the term used in insurance that fits each of the descriptions given in the table below: (3 marks)

Description	Term
Specialists in risks assessments	
A business that sells policies on behalf of an insurance company	
A temporary insurance certificate	

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) Highlight **six** differences between a public limited company and a public corporation. (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) Highlight **four** differences between jobbers and brokers in their operations at a securities/stock exchange market. (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 the procedure of taking an insurance policy. (9 marks)

b) Explain **four** benefits of carrying out business transactions through e-commerce. (8 marks)