

Name _____

Index No. _____

1901/103 1908/103

1903/103 1909/103

1906/103 1923/103

COMMERCE

November 2014

Time: 3 hours



Candidate's Signature _____

Date _____

THE KENYA NATIONAL EXAMINATIONS COUNCIL

CRAFT CERTIFICATE IN SECRETARIAL STUDIES
CRAFT CERTIFICATE IN SUPPLY CHAIN MANAGEMENT
CRAFT CERTIFICATE IN BUSINESS MANAGEMENT
CRAFT CERTIFICATE IN HUMAN RESOURCE MANAGEMENT
CRAFT CERTIFICATE IN TRANSPORT MANAGEMENT
CRAFT CERTIFICATE IN CLERICAL OPERATIONS
MODULE I

COMMERCE

3 hours

INSTRUCTIONS TO CANDIDATES

Write your name and index number in the spaces provided above.

Sign and write the date of the examination in the spaces provided above.

This paper consists of FIFTEEN questions in TWO Sections; A and B.

Answer ALL the questions in section A and any FOUR questions from section B in the spaces provided in this question paper.

Do NOT remove any pages from this booklet.

Candidates should answer the questions in English.

For Examiner's Use Only

Section	Question	Maximum Score	Candidate's Score
A	1 - 11	32	
B		17	
		17	
		17	
		17	
Total Score			

This paper consists of 16 printed pages.

Candidates should check the question paper to ascertain that all the pages are printed as indicated and that no questions are missing.

SECTION A (32 marks)

Answer ALL the questions in this section in the spaces provided after each question.

1. List **three** characteristics of direct production. (3 marks)

- (i) _____
- (ii) _____
- (iii) _____

2. State **three** features of a departmental store. (3 marks)

- (i) _____
- (ii) _____
- (iii) _____

3. State **three** causes of an overcharge in an invoice. (3 marks)

- (i) _____
- (ii) _____
- (iii) _____

4. State **four** circumstances under which a sole proprietorship business may be dissolved. (4 marks)

- (i) _____
- (ii) _____
- (iii) _____
- (iv) _____

5. Outline **three** characteristics of a bank current account. (3 marks)

- (i) _____
- (ii) _____
- (iii) _____

6. Outline **four** advantages of motor vehicle transport. (4 marks)
- (i) _____
 - (ii) _____
 - (iii) _____
 - (iv) _____
7. List **three** items that would be named in an insurance policy document. (3 marks)
- (i) _____
 - (ii) _____
 - (iii) _____
8. Name **three** types of warehouses. (3 marks)
- (i) _____
 - (ii) _____
 - (iii) _____
9. Define the following terms as used in the securities exchange market. (3 marks)
- (i) to go public _____

 - (ii) bonus share _____

 - (iii) private placing _____

10. State **three** ways in which the government regulates business activities. (3 marks)
- (i) _____
 - (ii) _____
 - (iii) _____

SECTION B (68 marks)

*Answer any **FOUR** questions from this section in the spaces provided.*

11. (a) Highlight **six** ways in which securities exchange market is useful to the Kenyan economy. (9 marks)
- (b) Explain **four** essentials of an efficient warehouse. (8 marks)
12. (a) Explain **four** types of insurance cover that a businessman may take for his business. (8 marks)
- (b) Explain **six** reasons that account for the wide use of camels and donkeys as means of transport in some parts of Kenya. (9 marks)
13. (a) State **four** functions of commercial banks. (8 marks)
- (b) Highlight **six** merits of operating a sole proprietorship form of business. (9 marks)
14. (a) Explain **four** reasons that may discourage a business person from selling goods on hire-purchase terms. (8 marks)
- (b) Highlight **six** ways in which trade is important to a country. (9 marks)
15. (a) Explain **four** demerits of division of labour in the production of goods. (8 marks)
- (b) Explain **six** services provided by wholesalers to manufacturers. (9 marks)