

1901/103 1908/103
1903/103 1909/103
1906/103 1923/103
1907/103
COMMERCE
July 2017
Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

**CRAFT CERTIFICATE IN SECRETARIAL STUDIES
CRAFT CERTIFICATE IN SUPPLY CHAIN MANAGEMENT
CRAFT CERTIFICATE IN BUSINESS ADMINISTRATION
CRAFT CERTIFICATE IN CO-OPERATIVE MANAGEMENT
CRAFT CERTIFICATE IN HUMAN RESOURCE MANAGEMENT
CRAFT CERTIFICATE IN ROAD TRANSPORT MANAGEMENT
CRAFT CERTIFICATE IN CLERICAL DUTIES**

MODULE I

COMMERCE

3 hours

INSTRUCTIONS TO CANDIDATES

This paper consists of TWO sections; A and B.

Answer ALL the questions in section A and any FOUR questions in section B in the answer booklet provided.

Candidates should answer the questions in English.

This paper consists of 3 printed pages.

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

SECTION A (32 marks)

Answer ALL questions in this section.

1. State **three** services offered by retailers to the manufacturers in home trade. (3 marks)
2. Classify the following activities according to their levels of production. (4 marks)

ACTIVITY	LEVEL OF PRODUCTION
Nursing	
Quarrying	
Bridge construction	
Farming	

3. Outline **three** merits of using motor cycles as a means of transport. (3 marks)
4. Outline **three** benefits that a businessman may derive from insuring his business. (3 marks)
5. Outline **three** items contained in a cash sale slip. (3 marks)
6. State **three** factors that may lead to the failure of a sole proprietorship type of business. (3 marks)
7. State **three** characteristics of money. (3 marks)
8. Highlight **three** functions of the Kenya Bureau of Standards. (3 marks)
9. State **three** benefits of micro finance institutions to an economy. (3 marks)
10. Highlight **four** functions of a securities exchange market. (4 marks)

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SECTION B (68 marks)

Answer any FOUR questions from this section.

11. (a) Explain **six** problems that face public corporations in Kenya. (9 marks)
- (b) Outline **four** ways in which businessmen may exploit consumers. (8 marks)
12. (a) Explain **six** limitations of using Automated Teller Machines (ATMs) in carrying out business transactions. (9 marks)
- (b) Despite the fact that international trade brings benefits, countries still impose restrictions on free trade.
Explain **four** reasons why a country should impose such restrictions. (8 marks)
13. (a) Explain **six** circumstances under which animal driven carts may be a preferable mode of transport. (9 marks)
- (b) Outline **four** characteristics of indirect production. (8 marks)
14. (a) Explain **six** roles played by commercial banks in Kenya. (9 marks)
- (b) Highlight **four** differences between assurance policy and insurance policy. (8 marks)
15. (a) Explain **six** factors that may hinder the growth of the securities exchange market in Kenya. (9 marks)
- (b) Outline the procedure of accepting goods into a warehouse. (8 marks)

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