

Name _____ Index No. _____

1901/103 1908/103

1903/103 1909/103

1906/103 1923/103

COMMERCE

November 2013

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 ADMINISTRATION
CRAFT CERTIFICATE IN HUMAN RESOURCE MANAGEMENT
CRAFT CERTIFICATE IN TRANSPORT MANAGEMENT
CRAFT CERTIFICATE IN CLERICAL DUTIES

COMMERCE

3 hours

INSTRUCTIONS TO CANDIDATES*Write your name and index number in the spaces provided above.**Sign and write the date of examination in the spaces provided above.**This paper consists of TWO sections; A and B.**Answer ALL the questions in section A, and FOUR questions from section B in the spaces provided in this question paper.**Candidates should answer the questions in English.*

For Examiner's Use Only

Section	Question	Maximum Score	Candidate's Score
A	1-10	32	
B	11	15	
	12	15	
	13	15	
	14	15	
	15	15	
TOTAL SCORE			

This paper consists of 20 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 questions in this section in the spaces provided.

1. State **three** functions of money. (3 marks)

(i) An exchange of value. / store of value.

(ii) Medium of exchange

(iii) Unit of A/c

(iv) Standard of deferred payment.

2. List **three** types of information that is contained in a delivery note. (3 marks)

(i) Name & address of the supplier
Delivery address

(ii) Date of delivery.
Discounts.
- Delivery charges

(iii) Order no
Supplier's item no
Quantity & unit.

3. Highlight **four** factors that a business person should consider when locating a warehouse. (4 marks)

(i) Safety/security of the area

(ii) The no of trailers within that region

(iii) Accessibility
Purpose of warehouse
Size of the land.

(iv) Storage Area
Job market area
Condition of the site

4. List **three** documents that should be submitted to the registrar of companies during the registration of a public limited company. (3 marks)

(i) Memorandum of association

(ii) Memorandum of understanding

(iii) Articles of Association

5. State **three** advantages of using hand-carts as a means of transport for goods. (3 marks)

(i) Easily available

(ii) Very cheap

(iii) Offer door to door services.

6. Highlight **three** reasons that may discourage people from taking insurance policies.

(3 marks)

(i) Tough penalty

(ii) High level of restriction

(iii) No extra claim lines given to the ~~customers~~ ^{clients}.

7. State **three** advantages of operating a market stall.

(3 marks)

(i) Very cheap

(ii) Small size

(iii) Easy to start & operate.

8. Highlight **three** functions of commercial attaches. (3 marks)

(i) ~~Collects information to be used by the governments.~~

(ii) To look for markets

(iii) To promote b/s

- To look for buyers of their products.

- To organize educational tours

9. State **four** reasons that may account for the popularity of e-banking in some countries. (4 marks)

(i) Coming up of electronic system of banking

(ii) Introduction of ATM cards

(iii) prone to errors

(iv) One can debit his/her A/c anywhere & at anytime.

10. Name the **three** levels of production.

(i) primary level of production

(ii) Secondary level of production

(iii) Tertiary level of production

SECTION B (68 marks)

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

ALL questions carry equal marks.

11. (a) Explain **six** principles under which the co-operative societies operate. (9 marks)

(b) Highlight **four** characteristics of indirect production. (8 marks)

12. (a) Explain **six** advantages of transporting petroleum products using the pipeline. (9 marks)

(b) Outline **four** disadvantages of selling goods on hire purchase terms. (8 marks)

13. (a) Explain **six** roles played by warehousing in business activities. (9 marks)

(b) Explain **four** reasons why it is necessary for an insurance company to re-insure itself. (8 marks)

14. (a) Explain **six** characteristics of money. (9 marks)

(b) Highlight **four** ways in which consumers of goods and services may benefit from trade. (8 marks)

15. (a) Outline **six** reasons why it is necessary for a country to control her imports. (9 marks)

(b) Highlight **four** benefits that a public limited company may get from being quoted in Nairobi Securities (Stock) Exchange. (8 marks)