

1901/103 1908/103
1903/103 1909/103
1906/103 1923/103
1907/103 1926/103

COMMERCE
November 2018
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

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 from section B in the answer booklet provided.

All questions carry equal marks.

Candidates should answer the questions in English.

This paper consists of 3 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.*

1. List **three** characteristics of a nominal partner. (3 marks)
2. Give **three** reasons why some traders do not take insurance policies. (3 marks)
3. State **three** advantages of locating bonded warehouses at the points of entry into a country. (3 marks)
4. Name **two** classification of trade. (2 marks)
5. State **four** ways in which the utility of a commodity may be created. (4 marks)
6. State **two** disadvantages of using air transport to deliver goods. (2 marks)
7. List **three** functions of the Kenya Bureau of Standards. (3 marks)
8. Give **four** reasons why a trader may decide to keep his money in a fixed deposit account. (4 marks)
9. State **four** merits of buying goods on hire-purchase terms. (4 marks)
10. State **four** advantages of operating market stalls. (4 marks)

SECTION B (68 marks)*Answer ALL the questions in this section.*

11. (a) Explain **six** services offered to retailers by wholesalers. (9 marks)
- (b) Outline **four** factors that a trader should consider before taking a loan from a commercial bank. (8 marks)
12. (a) Outline **six** factors that have contributed to the growth of commerce. (9 marks)
- (b) Explain **four** advantages of operating a partnership business. (8 marks)

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13. (a) Explain **six** ways in which manufacturers can enhance consumer protection. (9 marks)
- (b) Explain **four** benefits that a company can get if its shares are quoted at the securities exchange market. (8 marks)
14. (a) Explain **six** reasons why a country may prefer to transport petroleum products by pipeline. (9 marks)
- (b) Explain **four** advantages of hosting a multi- national corporation in a country. (8 marks)
15. (a) Explain **six** benefits of labour specialization in production. (9 marks)
- (b) Outline **four** circumstances under which a businessman may choose to hire a warehouse rather than build his own. (8 marks)

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