

SUBJECT: COMMERCE
DATE: 29th MAY 2015
CLASS: CHRM MODULE 1 –FULLTIME & EVENING
LECTURER: NANCY OMBATI
TIME: 2 ½ HRS

INSTRUCTIONS

This paper consists of SIX questions
Answer any FIVE questions.

1. (a) Outline THREE disadvantages of buying goods on hire purchase. (6 marks)
- (b) State SIX advantages of international trade. (6 marks)
- (c) Explain FOUR benefits that may accrue to the users of M-Pesa services. (8 marks)
2. (a) List FOUR types of information that may be contained in the constitution of a cooperative society. (4 marks)
- (b) State FOUR activities that may be carried out in a warehouse to ease storage. (4 marks)
- (c) Explain SIX principles of insurance. (12 marks)
3. (a) Define the term ‘limited liability’. (2 marks)
- (b) Outline SIX items contained in a partnership deed. (6 marks)
- (c) Briefly explain SIX functions of wholesalers. (12 marks)
4. (a) Explain FIVE reasons that may lead to import restrictions by a country. (10 marks)
- (b) Outline THREE differences between Endowment Assurance Policy and Whole life Assurance Policy. (6 marks)
- (c) Highlight FOUR demerits of specialization in production of goods. (4 marks)
5. (a) Explain THREE characteristics of a good money material. (6 marks)
- (b) Highlight SIX features of public limited companies. (6 marks)
- (c) Outline FOUR factors to consider in choosing modes of transport. (8 marks)
6. (a) Outline FIVE disadvantages to a company from being quoted in the securities exchange market. (5 marks)
- (b) State FIVE reasons that may account for the popularity of e-banking in some countries. (5 marks)
- (c) Highlight FIVE reasons why the G.O.K licenses business. (5 marks)
- (d) Outline FIVE reasons for government involvement in business. (5 marks)