

**SUBJECT: COMMUNICATION - END OF SEMESTER EXAM**

**DATE: 18<sup>th</sup> MAY 2015**

**CLASS: C/DHRM JAN 2015B - FULLTIME**

**LECTURER: BELDINA MUSEE**

**TIME: 2 ½ HRS**

**INSTRUCTIONS: This paper consists of Nine (9) questions. Answer ALL questions.**

1. Explain why informal discussions are encouraged in organizations. **(6 Marks)**
2. State four items that should be included under “terms of reference” in a report. **(6 Marks)**
3. Explain four reasons why an office worker should be an effective listener. **(8 Marks)**
4. Explain four reasons for conducting appraisal interviews in an organization. **(8 Marks)**
5. You are the Marketing Assistant in the organization you work for. The management has decided to increase the prices of some products. Write a letter to your customers informing them of this decision. **(12 Marks)**
6. You are the secretary of Imarika Welfare Society. The society intends to have an Annual General Meeting. Write the notice of the meeting. **(10 Marks)**
7. The management of Pekee Limited has noted that there have been frequent conflicts between the company and community in which the company is located. As the Assistant Manager, you have been requested to investigate the matter. Assume that you have completed the investigations and write a report. **(16 Marks)**
8. You are the chairperson of Inua Youth Group which has been successful in supplying milk in your county. You have been invited to give a speech to a youth group in a neighbouring county on “the Benefits of Being Self-Employed”. In about 250 words, write the speech. **(16 Marks)**
9. Read the following passage and then answer the questions that follow.

M-Shwari is an electronic account **operated** by the Commercial Bank of Africa (CBA) using the Safaricom menu. This account can only be opened by Safaricom’s M-Pesa customers. All transactions are done through the mobile phone since the account is electronic. A holder of an M-Shwari account can deposit money, earn interest on the deposit, withdraw money and even get a loan from the bank.

A Safaricom customer can open an M-Shwari deposit account with as little as one shilling and begin earning interest rates of up to five percent a year on their savings. To qualify for a loan, one must have a valid M-Pesa account and agree to the terms and conditions set by CBA. The loans must be repaid within one month and attract a one-time fee of 7.5 per cent of the total loan. The fee is known as facilitation fee and will be deducted only once by the bank before **disbursing** the loan to the applicant.

Customers of the service will be able to borrow amounts from as little as Ksh 100 up to Kshs 100,000. The amount of loan one can get depends on the amount one saves; the idea being that the more the savings, the more the credit. The loan applicant must allow CBA to access all their

personal information stored on M-Pesa. The applicant should also allow the bank to share their credit history with Credit Reference Bureaus.

The partnership between Safaricom and CBA has enabled Safaricom to expand its money transfer services. The partnership has also offered a chance to CBA to tap millions of low to middle income customers who would otherwise not afford to open bank accounts. Of special interest are small business owners who need cash to replenish their stock. M-Shwari is a ground-breaking financial service innovation that will **foster** a culture of saving and allow Kenyans with no collateral to access loan products through the convenience of their mobile phones at very competitive terms.

The concept of M-Shwari is expected to be a success since its operations are based on a success story. In the year 2007, Safaricom launched the money transfer service; M-Pesa. This money transfer service has become a common means of sending and receiving money using the mobile phone. As of January 2010, Safaricom had a huge subscriber base that CBA is targeting since most of the subscribers either do not have bank accounts or do not have access to convenient means of carrying out financial transactions. It is estimated that about Ksh 200 billion is kept in the most unlikely of places such as mattresses and pillow cases. This not only removes the money from circulation but also compromises its security. M-Shwari will solve this problem and ensure that more Kenyans have access to a bank account. Since the accounts are electronic and transactions are by mobile phone, CBA will avoid **clogging up** its banking halls.

Access to financial services of a country has a direct link to the economic well-being of the country. Where there is low access to banking services. Reasonable success has been realized over the years but the number of citizens with bank accounts is still low. Currently, only 10% of the adult population has embraced formal banking. There is need, therefore to bring on board those who still shy away from the banks and M-Shwari will cater for them. The new product is part of the government's commitment to increase access to banking services.

Thousands of M-Pesa subscribers had opened M-Shwari accounts only a few weeks after it was launched. This is a pointer to the fact that M-Shwari is bound to be a success story just as M-Pesa has been.

*Adapted from: "The Standard" Tuesday, 27 November 2012*

a) In about 150 words and according to the passage, explain the benefits of M-Shwari.

**(12 Marks)**

b) State the meaning of the following words and phrases as used in the passage:

- i) Operated
- ii) Disbursing
- iii) Foster
- iv) Verifying
- v) Clogging up
- vi) Bring on board

**(6 Marks)**