

1901/103 1908/103

1903/103 1909/103

1906/103 1923/103

COMMERCE

November 2016

Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

**CRAFT CERTIFICATE IN SECRETARIAL STUDIES
CRAFT CERTIFICATE IN SUPPLIES MANAGEMENT
CRAFT CERTIFICATE IN BUSINESS ADMINISTRATION
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 questions in section A and any FOUR questions in 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 questions in this section.

1. Outline **three** circumstances under which a sole proprietorship form of business organization may be dissolved. (3 marks)
2. State **four** ways in which the consumers may benefit from small-scale retailers. (4 marks)
3. State **three** types of occupations that may be found in the primary level of production. (3 marks)
4. Write in each of the following abbreviations in full as used in trade:
 - (a) C.W.O;
 - (b) C.O.D;
 - (c) O.N.O;(3 marks)
5. Highlight **four** functions of money. (4 marks)
6. Give **three** reasons that may account for the popularity of motor cycles as means of transport in some parts of Kenya. (3 marks)
7. Outline **three** circumstances that may lead to the delay of imported goods in a bonded warehouse. (3 marks)
8. State **four** principles of insurance. (4 marks)
9. State **three** methods through which the government gets involved in business activities. (3 marks)
10. State **two** branches of commerce. (2 marks)

SECTION B (68 marks)

*Answer any **FOUR** questions in this section.*

11. (a) Outline **six** roles played by the securities exchange market in the economy of a country. (9 marks)
- (b) Explain **four** reasons why some people prefer endowment assurance policies rather than whole life assurance policies. (8 marks)
12. (a) Explain **six** ways in which an efficient road transport system may promote trade within a country. (9 marks)
- (b) Outline **four** benefits that an account holder may get from the M-banking services offered by commercial banks. (8 marks)
13. (a) Explain **six** reasons that make developing countries reluctant to implement free trade agreements. (9 marks)
- (b) Outline **four** factors that a commercial bank should consider before giving a loan to a client. (8 marks)
14. (a) Highlight **six** characteristics of land as a factor of production. (9 marks)
- (b) Explain **four** benefits that a consumer would get from joining a consumer co-operative society. (8 marks)
15. (a) Outline **six** advantages that a trader would get by operating his own warehouse. (9 marks)
- (b) Explain **four** functions performed by the commercial attache's in trade. (8 marks)

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