

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

COMMERCE

July 2019

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
CRAFT CERTIFICATE IN CO-OPERATIVE MANAGEMENT

MODULE I

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 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 questions in this section.*

1. State **two** ways in which consumers may protect themselves from exploitation by traders. (2 marks)
2. List **two** fire insurance policies. (2 marks)
3. State **four** factors that a trader should consider before taking a bank loan. (4 marks)
4. State **three** features of mail order stalls. (3 marks)
5. State **three** disadvantages of buying goods on hire-purchase terms. (3 marks)
6. State **four** functions of an entrepreneur as a factor of production. (4 marks)
7. State **three** M-banking services offered by banks to account holders. (3 marks)
8. List the information that is contained in a charter party in relation to water transport. (3 marks)
9. List **four** types of private warehouses. (4 marks)
10. State **four** factors that have contributed to the rapid growth of savings and credit co-operative societies in Kenya. (4 marks)

SECTION B (68 marks)

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

11. (a) Explain **six** roles played by trade in the economy of a country. (9 marks)
- (b) Explain **four** advantages that a company may get from being quoted at the securities exchange market. (8 marks)
12. (a) Give **six** reasons why some traders prefer to use matatu transport. (9 marks)
- (b) Outline **four** ways in which a large-scale maize farmer would benefit from warehousing. (8 marks)
13. (a) Outline **six** circumstances under which a limited liability company may be dissolved. (9 marks)
- (b) Explain **four** benefits of carrying out business activities through E-commerce. (8 marks)
14. (a) Outline **six** ways in which the Central Bank regulates the activities of the commercial banks. (9 marks)
- (b) Explain **four** benefits of government involvement in business activities in a country. (8 marks)
15. (a) Give **six** reasons why a country may find it necessary to control the volume of its imports. (9 marks)
- (b) Explain **four** advantages of indirect production. (8 marks)

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