

Name: _____ Index No. _____

1901/103

1903/103

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COMMERCE

November 2012

Time: 3 hours

Candidate's Signature _____

Date _____



THE KENYA NATIONAL EXAMINATIONS COUNCIL

**CRAFT CERTIFICATE IN SECRETARIAL STUDIES
CRAFT CERTIFICATE IN SUPPLY MANAGEMENT
CRAFT CERTIFICATE IN BUSINESS MANAGEMENT
CRAFT CERTIFICATE IN HUMAN RESOURCE MANAGEMENT
CRAFT CERTIFICATE IN ROAD TRANSPORT MANAGEMENT**

COMMERCE

3 hours

INSTRUCTIONS TO CANDIDATES

Write your name and index number in the spaces provided at the top of this page.

Sign and write the date of examination in the spaces provided above.

This paper consists of TWO sections; A and B.

Answer ALL the questions in section A and any FOUR questions in section B in the spaces provided in this question paper.

For Examiner's Use Only

Section	Question	Maximum Score	Candidate's Score
A	1-10	32	
B		17	
		17	
		17	
		17	
Total Score		100	

This paper consists of 16 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 in the spaces provided.

1. State **four** features of land as a factor of production. (4 marks)

- (i) _____

- (ii) _____

- (iii) _____

- (iv) _____

2. Highlight **three** features of market stalls. (3 marks)

- (i) _____

- (ii) _____

- (iii) _____

3. Indicate, in the spaces provided, the document to which each of the following statements relate:

	Statement	Document
(i)	Used to correct an undercharge in a customer's account	
(ii)	It shows the business transactions during the stated period.	
(iii)	It is a reply to a letter of inquiry which is well illustrated and attractive.	

(3 marks)

(4 marks)

4. State **four** functions of money.

- (i) _____
- _____
- (ii) _____
- _____
- (iii) _____
- _____
- (iv) _____
- _____

5. State **four** circumstances under which a trader may choose to transport goods by air.

(4 marks)

- (i) _____
- _____
- (ii) _____
- _____
- (iii) _____
- _____
- (iv) _____
- _____

6. State **three** measures that the local authority may take to improve the quality of service that it offers to its residents.

(3 marks)

- (i) _____
- _____
- (ii) _____
- _____
- (iii) _____
- _____

7. Outline **four** benefits that consumers may derive from warehousing facilities offered by the sellers. (4 marks)

- (i) _____
- _____
- (ii) _____
- _____
- (iii) _____
- _____
- (iv) _____
- _____

8. State **two** differences between Marine Hull and Marine Cargo as used in insurance. (2 marks)

Marine Hull	Marine Cargo
(i) _____	(i) _____
(ii) _____	(ii) _____

9. Explain the meaning of the following terms as used in the Stock Exchange. (2 marks)

(i) Par value of shares;

(ii) Dividends.

10. Highlight **three** functions of the Kenya Bureau of Standards in relation to consumer protection. (3 marks)

- (i) _____
- _____

- (ii) _____

- (iii) _____

- (iv) _____

SECTION B (68 marks)

Answer any FOUR questions from this section in the spaces provided.

11. (a) Explain **six** services that the Central Bank of Kenya offer to the commercial banks. (9 marks)
- (b) State **four** differences between bonded warehouses and private warehouses. (8 marks)
12. (a) Outline **six** ways in which the government provides an enabling business environment in a country. (9 marks)
- (b) Outline **four** benefits that an individual may get from trading activities. (8 marks)
13. (a) A trader intends to transport a consignment of goods to the market. Explain **six** factors that he should consider when choosing the means of transport that is more appropriate to use. (9 marks)
- (b) Outline **four** advantages of using the Automated Teller Machine Cards (ATM cards) to the account holder. (8 marks)
14. (a) Explain the procedure that should be followed when taking an insurance policy. (8 marks)
- (b) State **six** differences between a cooperative society and a public limited company. (9 marks)
15. (a) Highlight **four** ways in which a limited company may benefit by having its shares quoted in the stock exchange. (8 marks)
- (b) Explain **six** circumstances under which a seller may find it necessary to sell his goods on cash with order (C.W.O) terms. (9 marks)