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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR
FIRST YEAR, FIRST SEMESTER EXAMINATION
FOR THE CERTIFICATE IN BUSINESS MANAGEMENT
CBM 015 COMMERCE

Date: 6TH AUGUST 2024
Time: 11:30AM-1:30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Highlight the importance of commerce in a country's economy. (6 Marks)
- b) Briefly explain the three factors of production stating why each is important in a country's economy. (6 Marks)
- c) Expound on two challenges that may face an organization that is importing goods. (6 Marks)
- d) Pipelines are one of the cheapest modes of transport. Give three merits and three challenges of pipeline transport in an economic set up. (6 Marks)
- e) Differentiate between Domestic Trade and International trade. (6 Marks)

QUESTION TWO (20 MARKS)

- a) Expound on what the JIT concept represents, giving four justifications why it cannot be successful in the Kenyan business setup. (6 Marks)
- b) Payments for goods in commerce may be done in a variety of ways, elaborate on three such modes. (6 Marks)
- c) Discuss the importance of Commerce to a country. (8 Marks)

QUESTION THREE (20 MARKS)

- a) When planning to do business, one can choose to either run the business alone or in partnership with others. Discuss Partnership as a mode of doing business. (6 Marks)
- b) Insurance is a key factor in economics, briefly discuss the importance of insurance. (6 Marks)
- c) Discuss four sources of business funds. (8 Marks)

QUESTION FOUR (20 MARKS)

- a) Money is a tool for aiding trade. The society uses money in performing various tasks. State and explain the THREE functions of money. (6 Marks)
- b) The government's involvement and participation in business activities happens in the world at large. Highlight SIX importance of government involvement. (6 Marks)
- c) Briefly explain FOUR types of insurance covers that one can take to counter disasters. (8 Marks)

QUESTION FIVE (20 MARKS)

- a) Transport is the movement from one place to another with the help of the various modes. Explain FOUR factors that Influence the Choice of an Appropriate Means of Transport (8 Marks)
- b) Explain FOUR types of warehouses that exist in an economy. (8 Marks)
- c) A stock exchange is a marketplace where securities, such as stocks and bonds, are bought and sold. State FOUR Functions of Stock Exchange (4 Marks)