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KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR
FIRST YEAR, FOURTH SEMESTER EXAMINATION
FOR THE CERTIFICATE IN BUSINESS MANAGEMENT
CBM 015:COMMERCE

Date: 11th August 2023
Time: 8.30am-10.30am

INSTRUCTIONS TO CANDIDATES:

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Describe the remedial measures the government can put in place to improve the unfavourable balance of payment prevailing in a country. (6 Marks)
- b) Explain the following terms as used in foreign trade: -
 - i. Balance of Trade (4 Marks)
 - ii. Balance of Payment (4 Marks)
- c) Discuss three categories of containerization (6 Marks)
- d) Identify and explain four significance of specialization and division of labour (4 Marks)
- e) Highlight six factors to consider when selecting an appropriate means of transport (6 Marks)

QUESTION TWO (20 MARKS)

- a) Outline six factors that have contributed to growth of commerce (6 marks)
- b) Explain four characteristics of land as factor of production (8 marks)
- c) Discuss six ways in which manufacturers can enhance consumer protection (6marks)

QUESTION THREE (20 MARKS)

- a) Briefly explain four importance of packaging in supply operations (8marks)
- b) Outline the circumstances under which a businessman may choose to hire a warehouse rather than build one. (6 marks)
- c) Discuss three principles of insurance (6 marks)

QUESTION FOUR (20 MARKS)

- a) Explain four benefits of labour specialization in production (4 marks)
- b) Discuss four functions of securities exchange market (8 marks)
- c) Despite the fact international trade brings benefits, countries still impose restrictions on free trade.
Explain four reasons why a country should impose such restrictions. (8 marks)

QUESTION FIVE (20 MARKS)

- a) Explain six circumstances under which animal driven carts may be preferable mode of transport (6 marks)
- b) Briefly explain four roles of commercial banks in Kenya. (8 marks).
- c) Explain six limitations of using Automated Teller Machines (ATMs) in carrying out business transactions. (6 marks)