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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR
FOR THE CERTIFICATE IN PROCUREMENT AND SUPPLY CHAIN
MANAGEMENT
CPS 015: COMMERCE

Date: 8TH DECEMBER 2023 Time: 8:30AM-10:30AM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Trade can be done locally and internationally. Briefly explain five differences between local trade and international trade. (5 Marks)
- b) Briefly explain the classifications of business ownership in Kenya today. (3 Marks)
- c) Clearly explain three benefits of e-commerce to businesses in Kenya today. (3 Marks)
- d) Business people visit banks for various needs including loans. Clearly discuss two reasons for organizations to have loans. (5 Marks)
- e) Expound on three documents that are commonly used in local purchasing and trading. (5 Marks)
- f) Insurance of businesses is meant to cater for the unknown events that may affect businesses. Give three reasons why insurance is important to a business. (5 Marks)
- g) Differentiate the following terms:
 - i) Import and export trade (2 Marks)
 - ii) Domestic and international trade (2 Marks)

QUESTION TWO (20 MARKS)

- a) You have been employed as a manager at Jitie Moyo Ltd and a proposal is set for a warehouse to be put up. Discuss four factors you would consider in setting up a warehouse. (8 Marks)
- b) Transport is a very important aspect of every business carried out. Briefly explain three roles of transport for business owners in Kenya today. (6 Marks)
- c) Expound on what the JIT concept represent giving two justifications why it cannot be successful in the Kenyan business set up. (6 Marks)

QUESTION THREE (20 MARKS)

- a) Commerce is a broad aspect which is classified into two. Briefly explain four services rendered through the auxiliaries of trade (aids to trade). (8 Marks)
- b) Discuss two ways in which the Kenya government uses to support commerce. (6 Marks)
- c) Highlight three reasons why a wholesaler is important in relation to commerce. (6 Marks)

QUESTION FOUR (20 MARKS)

- a) Discuss with three reasons as to why financial skills are key in business. (6 Marks)
- b) Briefly use four examples to justify the importance of e-commerce. (8 Marks)
- c) Discuss three sources of capital to a business. (6 Marks)

QUESTION FIVE (20 MARKS)

- a) With the aid of brief notes, discuss three merits and demerits of sole proprietorship style of business. (6 Marks)
- b) Atieno is a renown business lady in "International Trade" in Kenya. Briefly point out four challenges that she is likely to meet while doing business. (8 Marks)
- c) Highlight the difference between sole proprietorship and partnership trading giving two merits for each. (6 Marks)