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**KIRIRI WOMEN'S UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR**  
**FIRST YEAR, FIRST SEMESTER EXAMINATION**  
**FOR THE CERTIFICATE IN PROCUREMENT & SUPPLY**  
**CHAIN MANAGEMENT**  
**CPS 015: COMMERCE**

Date:15<sup>TH</sup>April,2024  
Time:8.30AM-10.30AM

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

- a) Highlight **FOUR** reasons for licensing of a business. **(4 Marks)**
- b) Banks are becoming inevitable in running our routine affairs today. Highlight at least **FOUR** importance of Banks. **(4 Marks)**
- c) Commerce is a very vital aspect of both trade and aids to trade. Briefly explain **FIVE** importance of commerce in Kenya. **(5 Marks)**
- d) Highlight **FOUR** functions of insurance in carrying out trade in Kenya today. **(4 Marks)**
- e) State **FIVE** importance of division of labour and specialization in your country. **(5 Marks)**
- f) Warehousing is the process of storing physical inventory for sale or distribution. Highlight the risks involved in warehousing process. **(4 Marks)**
- g) Highlight **FOUR** importance of transport in aiding trade to an organization. **(4 Marks)**

**QUESTION TWO (20 MARKS)**

- a) Diagrammatically explain the scope of commerce to aid managers in getting more insight in decision making. **(8 Marks)**
- b) Commerce cannot happen without production process taking place in an organization. Briefly explain the **FOUR** factors of production in reference to their rewards. **(8 Marks)**
- c) Briefly explain the **TWO** Types of Partnerships **(4 Marks)**

**QUESTION THREE (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 FOUR (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)**

**QUESTION FIVE (20 MARKS)**

- a) Production occurs in different stages of an organization. Briefly explain the **THREE** types or levels of production. **(6 Marks)**
- b) Differentiate the following documents used in trade:
- i. Pro-forma invoice and invoice **(2 Marks)**
  - ii. Credit note and debit note **(2 Marks)**
  - iii. Order and receipt **(2 Marks)**
- c) Commerce is dynamic and issues arise day by day. State and explain **FOUR** challenges of commerce and provide the solutions. **(8 Marks)**