

2903/104 2909/104 2925/104
2906/104 2922/104 2926/104
2907/104 2924/104 2927/104
COMMUNICATION SKILLS
November 2017
Time: 3 hours



THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN SUPPLY CHAIN MANAGEMENT
DIPLOMA IN BUSINESS MANAGEMENT
DIPLOMA IN COOPERATIVE MANAGEMENT
DIPLOMA IN ROAD TRANSPORT MANAGEMENT
DIPLOMA IN PROJECT MANAGEMENT
DIPLOMA IN INVESTMENT MANAGEMENT
DIPLOMA IN MARITIME TRANSPORT MANAGEMENT
DIPLOMA IN HUMAN RESOURCE MANAGEMENT
DIPLOMA IN DISASTER MANAGEMENT
MODULE I
COMMUNICATION SKILLS

3 hours

INSTRUCTIONS TO CANDIDATES

*This paper consists of 14 questions in TWO sections; A and B.
Answer ALL the questions in both sections in the answer booklet provided.
Candidates should answer the questions in English.*

This paper consists of 4 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 the questions in this section.*

1. State **three** topics on which employment interview questions may be based. (3 marks)
2. State **three** ways in which a manager may minimise organizational barriers to communication. (3 marks)
3. List **four** roles of a committee's secretary before a meeting. (4 marks)
4. State **three** items that may be included when writing references in a report. (3 marks)
5. List **three** examples of situations when it may be necessary to observe protocol when communicating. (3 marks)
6. List **three** advantages of using visual aids when communicating. (3 marks)
7. State **four** reasons why it is important to carry out audience analysis before communicating. (4 marks)
8. List **three** barriers to effective downward communication. (3 marks)
9. List **three** factors that one should consider when preparing a print advertisement. (3 marks)
10. State **three** sources of grapevine communication. (3 marks)

SECTION B (68 marks)*Answer ALL the questions in this section.*

11. (a) Explain **five** ways through which an organization may create awareness of its products to its publics. (10 marks)
- (b) Explain **four** roles of an interviewer during a job selection interview. (8 marks)
12. (a) Write an essay of about 250 words on: "The Benefits of Using E-mail as a Means of Communication in an Organization". (10 marks)
- (b) Describe the following types of meetings conducted in organizations:
 - (i) Extraordinary meeting;
 - (ii) Consultative meeting;
 - (iii) Departmental meeting.

(6 marks)

13. For the last two years, Maua Limited has experienced a high number of employees leaving the firm to work in other companies. As the Human Resource Officer, you have been asked by the Managing Director to investigate the matter and write a report with recommendations. Assume you have completed your investigations and write the report. (16 marks)
14. *Read the passage below and then answer the questions that follow.*

Payments for goods and services **rendered** determine, to a great extent, the future of a business. However, collecting payments for goods and services rendered is one of the challenges that threaten the stability of many entrepreneurs. In fact, entrepreneurs struggle with expensive loans and sometimes miss good opportunities yet their debtors owe them a fortune.

Most small enterprises experience cash flow problems. These problems may be attributed to factors such as the entrepreneurs' inability to collect money from customers on time and the fear of upsetting big customers. Failure to collect debts on time makes small enterprises lack **sufficient** cash for their day-to-day operations while allowing their debtors to have interest-free loans for their operations. Failure to collect debt on time may wipe out all the profits and eventually push a profitable enterprise into a severe cash flow crisis.

On the other hand, large enterprises which can afford to give their customers longer credit periods without hurting cash flow have smarter credit control systems which enable them to enjoy the benefits of timely payments by customers. Ironically, these large enterprises **drag their feet** in paying the small enterprises that happen to be their suppliers thus making them struggle with cash flow. An entrepreneur must understand that collecting money from customers on time is crucial since it helps minimize the chances of taking expensive loans. It also reduces the possibilities of disappointing one's employees and suppliers by failing to pay them on time. Furthermore, timely collection of money from debtors is a prerequisite for success.

An entrepreneur, therefore, requires to design a good payment strategy that puts pressure on customers to pay on time. To begin with, an entrepreneur can develop a credit policy which should specifically apply when dealing with **first time** customers. Such a policy should be guided by the terms that the entrepreneur has with suppliers. For instance, if the supplier gave the entrepreneur one month credit period, then the entrepreneur should strive to give the customer a shorter credit period to pay. This will prevent a situation where the entrepreneur would lack cash to pay the suppliers.

In addition, an entrepreneur should be reluctant to sell on credit. It is better to have stock than to sell it on credit and not get paid on time. This is because delayed payments will make the entrepreneur not realize the time value of money. In the event that an entrepreneur decides to sell on credit, however, an invoice should be issued to the customer immediately the goods are delivered. The invoice will make the customers understand that just as they expect quick delivery, the entrepreneur equally expects payment without delay according to the agreed terms.

Demand for advance payment before supplying goods is yet another strategy. Asking for deposit or down payment will also reduce **potential** cash flow problems. Furthermore, an entrepreneur can offer standard payment options such as use of credit cards and cheques thus allowing the customer to use their preferred payment method. An entrepreneur should also ensure that goods are supplied against well-issued and signed purchase orders. Otherwise, following up debts becomes hard and, in the event of non-payment, the entrepreneur cannot take any legal action to recover the money.

Entrepreneurs should remember that customers are not doing them a favour by buying their products. The customer had considered all options and found the products or service to be the best value for money. Therefore, the customer needs the entrepreneur just as the entrepreneur needs the customer and should not use credit sales as the only way of enticing customers. It should be understood that cash flow management is the most important element in running a **viable** business.

Adapted from: 'Business Daily' Tuesday January 24, 2017

(a) State the meaning of each of the following words and phrases as used in the passage:

- (i) rendered;
- (ii) sufficient;
- (iii) drag their feet;
- (iv) first time;
- (v) potential;
- (vi) viable.

(6 marks)

(b) In about 130 words, and according to the passage, explain the strategies that an entrepreneur can adopt to ensure timely payment by customers.

(12 marks)

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