

1901/103      1907/103      1923/103  
1903/103      1908/103      1926/103  
1906/103      1909/103

**COMMERCE**

**July 2019**

**Time: 3 hours**



**THE KENYA NATIONAL EXAMINATIONS COUNCIL**

**CRAFT CERTIFICATE IN SECRETARIAL STUDIES**  
**CRAFT CERTIFICATE IN SUPPLIES MANAGEMENT**  
**CRAFT CERTIFICATE IN BUSINESS ADMINISTRATION**  
**CRAFT CERTIFICATE IN HUMAN RESOURCE MANAGEMENT**  
**CRAFT CERTIFICATE IN ROAD TRANSPORT MANAGEMENT**  
**CRAFT CERTIFICATE IN CLERICAL DUTIES**  
**CRAFT CERTIFICATE IN CO-OPERATIVE MANAGEMENT**

**MODULE I**

**COMMERCE**

**3 hours**

### **INSTRUCTIONS TO CANDIDATES**

*This paper consists of TWO sections; A and B.*

*Answer ALL questions in section A and any FOUR questions from section B in the answer booklet provided.*

*All questions carry equal marks.*

*Candidates should answer the questions in English.*

**This paper consists of 3 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 questions in this section.*

1. State **two** ways in which consumers may protect themselves from exploitation by traders. (2 marks)
2. List **two** fire insurance policies. (2 marks)
3. State **four** factors that a trader should consider before taking a bank loan. (4 marks)
4. State **three** features of mail order stalls. (3 marks)
5. State **three** disadvantages of buying goods on hire-purchase terms. (3 marks)
6. State **four** functions of an entrepreneur as a factor of production. (4 marks)
7. State **three** M-banking services offered by banks to account holders. (3 marks)
8. List the information that is contained in a charter party in relation to water transport. (3 marks)
9. List **four** types of private warehouses. (4 marks)
10. State **four** factors that have contributed to the rapid growth of savings and credit co-operative societies in Kenya. (4 marks)

**SECTION B (68 marks)**

*Answer any **FOUR** questions from this section.*

11. (a) Explain **six** roles played by trade in the economy of a country. (9 marks)
- (b) Explain **four** advantages that a company may get from being quoted at the securities exchange market. (8 marks)
12. (a) Give **six** reasons why some traders prefer to use matatu transport. (9 marks)
- (b) Outline **four** ways in which a large-scale maize farmer would benefit from warehousing. (8 marks)
13. (a) Outline **six** circumstances under which a limited liability company may be dissolved. (9 marks)
- (b) Explain **four** benefits of carrying out business activities through E-commerce. (8 marks)
14. (a) Outline **six** ways in which the Central Bank regulates the activities of the commercial banks. (9 marks)
- (b) Explain **four** benefits of government involvement in business activities in a country. (8 marks)
15. (a) Give **six** reasons why a country may find it necessary to control the volume of its imports. (9 marks)
- (b) Explain **four** advantages of indirect production. (8 marks)

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