



# MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR SECOND SEMESTER EXAMINATION FOR

CERTIFICATE IN PROCUREMENT SUPPLY CHAIN MANAGEMENT &

CERTIFICATE IN BUSINESS MANAGEMET

COMMERCE

DATE: 30/8/2021

TIME: 8:30 – 11:30 AM

---

## INSTRUCTIONS

Answer **ALL** questions from Section A; Answer **ANY TWO** questions from Section B

### SECTION A: (This section carries 30 marks)

#### QUESTION ONE

- a) (i) Highlight the difference between jobbers and brokers in their operations at a securities/stock exchange market. (4 marks)
- (ii) Describe **three** ways in which the government may participate in business activities. (6 marks)
- b) (i) Explain two reasons why insurance companies do not allow a person to insure property or life of another person. (4 marks)
- (ii) Describe the role of transport in commerce. (6 marks)
- c) Outline ten reasons that may account for the popularity of direct production in Kenya. (10 marks)

#### SECTION B

#### QUESTION TWO (20 MARKS)

- a) Highlight the characteristics of sole proprietorship as a form of business organization. (10 marks)
- b) Identify and explain five documents used in international trade. (10 marks)

**QUESTION THREE (20 MARKS)**

- a) Describe five main functions of stock exchange market. (10 marks)
- b) Give five merits of specialization and division of labour. (10 marks)

**QUESTION FOUR (20 MARKS)**

- a) Describe **five** roles played by commercial banks in facilitating home trade. (10 marks)
- b) Discuss five factors to be considered when selecting a warehouse. (10 marks)

**QUESTION FIVE (20 MARKS)**

- a) What is containerization? Give four advantages of containerization. (10 marks)
- b) Describe five reasons why business investors should take out insurance policies. (10 marks)