



MACHAKOS UNIVERSITY

University Examinations for 2020/20201 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR FIRST TERM EXAMINATION FOR CERTIFICATE IN

1903/101: PROCUREMENT SUPPLY CHAIN MANAGEMENT

1906/101: BUSINESS MANAGEMENT

COMMERCE

DATE: 3/6/2021

TIME: 8.30-11.30 AM

INSTRUCTIONS:

This paper consists of TWO sections; A and B. Answer ALL questions in section A and any TWO questions in section B in the answer booklet provided.

SECTION A (COMPULSORY) QUESTION ONE (30 MARKS)

Answer ALL the questions in this section.

1. Outline **five** circumstances under which a sole proprietor may find it necessary to convert his business into a partnership. (5 marks)
2. Highlight **six** ways in which the government may participate in business activities. (6 marks)
 - a) State the term used in insurance that fits each of the descriptions given in the table below. (3 marks)

Description	Term
Specialists in risks assessments	
A business that sells policies on behalf of an insurance company	
A temporary insurance certificate	

- b) Motor cycles have become a popular means of transport in many areas in Kenya. Describe **three** reasons for this popularity. (6 marks)
3. Explain **five** ways in which commercial attachés may promote foreign trade in a country. (10 marks)

SECTION B: Answer any TWO questions in this section.

4. a) Highlight five differences between a public limited company and a public corporation. (10 marks)
- b) Explain five circumstances under which a manufacturer may find it appropriate to distribute his goods through wholesalers. (10 marks)
5. a) Outline five reasons that may account for the popularity of direct production in Kenya. (10 marks)
- b) Describe five reasons why sole proprietorship could form themselves into a partnership. (10 marks)
6. a) Discuss **six** features of a good warehouse. (10 marks)
- b) Outline **four** circumstances under which cash payment may be appropriate to a trader. (10 marks)
7. a) Describe the procedure of taking an insurance policy. (10 marks)
- b) Explain five benefits of carrying out business transactions through e-commerce. (10 marks)