

KENYA METHODIST UNIVERSITY

**END OF 2ND TRIMESTER 2016 (SB) EXAMINATIONS**

**SCHOOL : EDUCATION AND SOCIAL SCIENCES**

**DEPARTMENT : EDUCATION**

**UNIT CODE : BUSS 201**

**UNIT TITLE : COMMERCE**

**TIME : 2 HOURS**

**INSTRUCTIONS**

* ***Answer any THREE questions.***

**Question One**

1. Outline and discuss the advantages of industrial business activities over commercial business activities. (8 Marks)
2. Kenya is considered to be an economic hub in the East Africa region. For it to have vibrant economy characterized by business there is need to emphasize policies that encourage tertiary production than any other forms of production. Discuss the extent to which you agree or disagree with the claim and the reason for which your claim is based. (12 marks)

**Question Two**

1. Describe the distinguishing features of private, public and joint business organizations. (10 Marks)
2. Discuss the various aid to trade factors. (10 Marks)

**Question Three**

1. Discuss the main distinguishing features between limited partnership and limited company. (10 Marks)
2. Define retail trade and explain the roles played by retailers in the economy. (10 Marks)

**Question Four**

1. E-Commerce involves collaboration between different parties that can be characterized by four main interactions. Briefly describe these four main interactions. (10 Marks)
2. What do you think are the main huddles hindering development of internal trade in Kenya? (10 Marks)

**Question Five**

1. Discuss the advantages and disadvantages of foreign trade. (10 Marks)
2. Most of the proprietorship businesses undertake informal and subsistence business, therefore, they can never grow big. The government should discourage them. Do you agree or not? Give reasons for your answer. (10 Marks)