

KENYA METHODIST UNIVERSITY

**END OF 3RD TRIMESTER 2013 (PT) EXAMINATION**

**FACULTY : EDUCATION AND SOCIAL SCIENCES**

**DEPARTMENT : EDUCATION**

**UNIT CODE : BUSS 201**

**UNIT TITLE : COMMERCE**

**TIME : 2 HOURS**

**Instructions:**

* ***Answer any three questions***

**Question One**

1. One can eliminate wholesalers from the chain of distribution but not the wholesaling function. Do you agree? (10 marks0
2. Highlight five roles that warehousing plays in trade. (10 marks)

**Question Two**

1. Explain five circumstances under which a trader may use railway transport. (10 marks)
2. Outline five factors to consider when choosing the means of communication. (10 marks)

**Question Three**

1. Using relevant examples explain the principles that govern the operations of the insurance industry. (10 marks0
2. Explain five methods of sales promotion available to the traders in the market. (10 marks)

**Question Four**

1. Explain five reasons that justify government involvement in business activities. (10 marks)
2. James a new employee of Tababu Ltd Company has been advised by his colleagues to join Tababu Sacco. Outline five benefits he is likely to enjoy. (10 marks)

**Question Five**

1. Outline five contents of Memorandum of Association that companies are expected to file with the Registrar of companies in order to be incorporated. (10 marks)
2. Differentiate between direct and indirect production. (10 marks)