

**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2020/2021 ACADEMIC YEAR ONE**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE CERTIFICATE IN BUSINESS MANAGEMENT**

**COURSE CODE: CBM 011**

**COURSE TITLE: BUSINESS STUDIES**

**EXAMINATION DURATION: 3 HOURS**

**DATE: TIME:**

**INSTRUCTIONS TO CANDIDATES**

* **The examination has FIVE (5) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other TWO (2) questions from the remaining FOUR (4) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of THREE (3) printed pages**

**Question one**

a] Define the following terms:

1. A warehouse [2marks]
2. Utility [2 marks]

b] Explain **three** features of land as a factor of production [6 marks]

c] Describe **three** types of utility [6 marks]

d] Distinguish between the following terms:

1. Direct and indirect production [2 marks]
2. Home trade and International trade [2 marks]

c] Explain **three** merits of a partnership as a form of business ownership [6 marks]

d] Describe **two** principles of insurance [4 marks]

**Question two**

a] Explain **four** disadvantages of localisation of industries [8 marks]

b] Discuss **three** importance of warehousing as aid to trade [7 marks]

c] outline **three** reasons for government involvement in business [5 marks]

**Question three**

a] Kenya has made historic achievement in modern rail transport in East Africa. Outline the merits of railway transport [8 marks]

b] Describe **three** factors that affect the location of a firm [6 marks]

c] Explain **three** of division of labour and specialisation [6 marks]

**Question four**

a] Hassan and Omar has formed a company to operate in Garissa town a business . Explain **five** advantages of this form of business partnership. [10 marks]

b] Kenya has joined other countries in exporting her crude oil. Explain **five** benefits Kenya is likely to get in international trade [10 marks]

**Question five**

a] Differentiate between the following terms:

1. Needs and wants [4 marks]
2. Retail and wholesale trade [4 marks]
3. Localisation and delocalisation [ 4 marks]

b] Explain **four** functions of commercial banks [8 marks]