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(Knowledge for Development)
KIBABII UNIVERSITY

UNIVERSITY EXAMINATIONS
2015/2016 ACADEMIC YEAR
FIRST YEAR SECOND SEMESTER
MAIN EXAMINATION
FOR THE DIPLOMA IN EDUCATION

COURSE CODE: EDB 102
COURSE TITLE: BUSINESS ECONOMICS
DATE: 11/05/2016 TIME:

INSTRUCTIONS TO CANDIDATES

Answer Question One in Section A and Any other TWO (2) Questions in Section B
TIME: 2 HOURS

KIBUCO observes ZERO tolerance to examination cheating
This Paper Consists of 2 Printed Pages. Please Turn Over. 

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SECTION A

QUESTION ONE

- a) Outline the function of retailers to the manufacturer
- b) State four uses of an invoice to a seller of goods.
- c) A company that sells duplicating machines intends to launch an after sales service for the product. Highlight four various factors that the company should consider before launching the program.
- d) Outline three features of an efficient transport system. (3mks)
- e) State three circumstances under which a manufacturer would not require a warehousing facilities (3mks)
- f) Odhiambo had a car valued at sh.250,000 which he insured for sh.200,000, later the car was involved in a road accident in which it was extensively damaged and was written off (4mks)
 - a) Calculate the amount that Mwangazi is entitled to claim from the insurance company.
 - ii) Give a reason for your answer
- g) Advancement of funds is one of the functions of a commercial bank. State three factors that the bank will consider before advancing funds (3mks)
- h) Identify three sources of equity as way of Business finance.

SECTION B

QUESTIONS TWO

- a) Describe five factors determining the investments made by Nyabok on the man market.
- b) Explain five benefits of the "pooling of risks" to an insurance company.

QUESTIONS THREE

- a) Discuss five types of advertising employed by various Business organizations (10mks)
- b) Explain five methods that the central bank use to control credit in the country. (10mks)

QUESTION FOUR

- a) Explain five main functions of documents used in a business in home trade.
(10mks)
- b) Highlight five functions of an invoice to a sellers of goods in transactions (10mks)

QUESTIONS FIVE

- a) Explain five challenges that may face a developing country in its effort to adopt Containerization as a method of transport. (10mks)
- b) Highlight five factors that a manufacturer must consider before selling up a warehouse (10mks)