



**MURANG'A UNIVERSITY OF TECHNOLOGY**  
**SCHOOL OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF COMMERCE**

UNIVERSITY ORDINARY EXAMINATION

2017/2018 ACADEMIC YEAR

**THIRD YEAR FIRST SEMESTER EXAMINATION FOR THE DEGREE  
OF BACHELOR OF PROCUREMENT AND SUPPLIES MANAGEMENT**

BCP 304 – CLEARING AND FORWARDING

DURATION: 2 HOURS

DATE: 19<sup>TH</sup> APRIL, 2018

TIME: 9.00 - 11.00 A.M.

**Instructions to Candidates:**

1. Answer **Question 1** and **Any Other Two** questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

## **SECTION A – ANSWER ALL QUESTIONS IN THIS SECTION**

### **QUESTION ONE**

- a) Describe three roles of documentation in International Trade. (5 marks)
- b) List five steps followed in the importation of goods to Kenya. (5 marks)
- c) Highlight the significance of a sales contract in trade. (5 marks)
- d) Identify three modes and their importance in transport that are significant in the exportation of goods (5 marks)
- e) Explain the role of the certificate of origin in the importation of goods. (10 marks)

## **SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION**

### **QUESTION TWO**

- a) Discuss the role of three commercial documents involved in export business. (10 marks)
- b) Explain four roles that freight forwarders play in cross-border trade. (10 marks)

### **QUESTION THREE**

- a) Assess four roles of sea transport in import and export businesses. (10 marks)
- b) Discuss four challenges faced by Kenyan exporters. (10 marks)

### **QUESTION FOUR**

- a) Discuss the relevancy of the following terms to international trade
  - i. CIF - Cost, Insurance and Freight (5 marks)
  - ii. FOB - Free on Board (5 marks)
  - iii. CIP - Carriage and insurance paid (5 marks)
  - iv. CFR- Cost and Freight (5 marks)