

- (d) It is a proof that the importer is the owner of the goods.
- (e) The importer can use the bill of lading to transfer ownership of goods.
- (f) It can be used as collateral to acquire funds.
- (g) It is used for customs clearance.
- (h) It enables the importer to know the freight charges.

Question 4 (a)

Wafula who recently retired would like to invest his retirement benefits in either of two business options. Explain **five** factors that Wafula should consider in choosing the business in which to invest. (10 marks)

Here the candidates were required to explain the factors that an investor should consider in choosing between two investment opportunities.

Weaknesses

The question was poorly done because many candidates gave irrelevant responses that had to do with location of business while others could not explain the points they gave.

Expected Responses

- (a) The size of the market for the products to determine whether it will sustain demand for his goods.
- (b) The level of cash flow in each business option to determine the payback period.
- (c) Availability of raw materials to determine the continuity of the business/survival of the business.
- (d) Opportunity for growth to determine the possibility of business expansion.
- (e) Nature of the market/demand for the products to determine level of competition/market share.
- (f) Management to determine complexity of running the business.
- (g) Government policy to determine ability to meet the requirements.
- (h) Initial capital to determine if he has enough funds.

30.3 CONCLUSION AND ADVICE TO TEACHERS

We would like to reiterate the recommendations we have made in the past since candidates weaknesses are the same year after year. For instance candidates should be trained to read and understand questions before they attempt them. They must be taught to reason out issues and to apply knowledge. Lastly, teachers must ensure they cover the whole syllabus and ensure mastery of the subject.