

2201/305

2203/305

2204/305

2206/305

2208/305

INDUSTRIAL ORGANISATION AND MANAGEMENT

Oct./Nov. 2008

Time: 3 hours

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THE KENYA NATIONAL EXAMINATIONS COUNCIL

DIPLOMA IN ELECTRONICS ENGINEERING

DIPLOMA IN TELECOMMUNICATIONS ENGINEERING

DIPLOMA IN ELECTRICAL ENGINEERING (POWER)

DIPLOMA IN INSTRUMENTATION & CONTROL ENGINEERING

DIPLOMA IN MEDICAL ENGINEERING

INDUSTRIAL ORGANISATION AND MANAGEMENT

3 hours

### INSTRUCTIONS TO CANDIDATES

*You should have the following for this examination:*

*Answer booklet*

*Mathematical tables/calculator*

*Answer any FIVE of the following EIGHT questions.*

*All questions carry equal marks.*

*Maximum marks for each part of a question are as indicated.*

**This paper consists of 5 printed pages.**

**Candidates should check the question paper to ascertain that all the pages are printed as indicated and no questions are missing.**

- Y. 1. (a) (i) Explain the meaning of 'terms of trade'.  
*Ratio of exports to imports prices.*
- (ii) Outline **four** effects of adverse terms of trade to a country's trade position. (6 marks)
- (b) (i) State **two** functions of a central bank as a banker to the government.
- (ii) Explain **four** methods used by central bank to control the ability of commercial banks in credit creation. (8 marks)
- (c) (i) Explain the concept of division of labour.
- (ii) Highlight **four** advantages of division of labour. (6 marks)
2. (a) State **two** differences between management and leadership. (2 marks)
- (b) Outline **four** roles played by supervisory management in an organisation. (4 marks)
- (c) Highlight **four** features of the classical approach to management. (4 marks)
- (d) (i) Differentiate between policies and strategies.
- (ii) Explain **four** benefits of policies to an organisation. (10 marks)
3. (a) State **two** features of a formal organisation. (2 marks)
- (b) With the aid of organisational charts, describe the following methods of organisational departmentation:
- (i) Functional;
- (ii) Territorial. (8 marks)
- (c) (i) Distinguish between delegation and decentralisation.
- (ii) Explain **four** factors that determine the degree of decentralisation in an organisation. (10 marks)
4. (a) Differentiate between Common law and rules of Equity. (4 marks)
- (b) With the aid of a block diagram, illustrate the structure of courts of law in Kenya. (6 marks)

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