



**TECHNICAL UNIVERSITY OF MOMBASA**  
*Faculty of Business & Social Studies*

DEPARTMENT OF BUSINESS STUDIES

DIPLOMA IN LOGISTICS AND TRANSPORT MANAGEMENT

**BLT 2102: MANAGING RESOURCES**

END OF SEMESTER EXAMINATIONS

**SERIES:** AUGUST 2013

**TIME:** 2 HOURS

**INSTRUCTIONS:**

- This paper consists of **FIVE** questions.
- Answer question **ONE (Compulsory)** and any other **TWO** questions.

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

### QUESTION 1 (Compulsory)

- a) When carrying out an investment decision what factors must the organization take into consideration. **(10marks)**
- b) What are the externalities that can impact the environment that are caused by a transport and logistics firm while it is undertaking its business ventures. **(10marks)**
- c) Kazibure Kazimingi had an opening balance of Ksh. 25000. His net purchases for the year amounted to Ksh.150 000 and his Gross profit margin was 40% on cost. His total expenses for the year were cost. His total expenses for the year were ksh. 28,600. Prepare his income statement. **(10marks)**

### QUESTION 2

- a) In the transport and logistics industry what benefits would a firm gain in deploying IT systems. **(10marks)**
- b) Explain why there is a need for firms in transport and logistics industries to manage and control its finances? **(10marks)**

### QUESTION 3

- a) There are several Investments appraisal parameter that transport and logistics firms need **to take** into considerations when carrying out investment decisions. Explain five of them. **(10marks)**
- b) Explain Five reasons why commercial banks prefer to lend shortterm loans to business organizations. **(10marks)**

### QUESTION 4

- a) Define the following terms and how they are used.
  - i) Working capital
  - ii) Borrowed capital
  - iii) Capital owned
  - iv) Balance sheet
  - v) Income statement **(10marks)**
- b) Explain the various investment options that you could consider in your firm if the firm sought for your advice. **(10marks)**

### QUESTION 5

Briefly discuss te FOUR main documents that make up the financial statements for any business organisation. **(20marks)**