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**GARISSA UNIVERSITY**

**UNIVERSITY EXAMINATION 2017/2018 ACADEMIC YEAR THREE**

**SECOND SEMESTER EXAMINATION**

**SCHOOL OF BUSINESS AND ECONOMICS**

**FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 322**

**COURSE TITLE: PENSION MANAGEMENT**

**EXAMINATION DURATION: 3 HOURS**

**DATE: 10/08/18 TIME: 2.00-5.00 PM**

**INSTRUCTION TO CANDIDATES**

* **The examination has SIX (6) questions**
* **Question ONE (1) is COMPULSORY**
* **Choose any other THREE (3) questions from the remaining FIVE (5) questions**
* **Use sketch diagrams to illustrate your answer whenever necessary**
* **Do not carry mobile phones or any other written materials in examination room**
* **Do not write on this paper**

**This paper consists of TWO (2) printed pages *please turn over***

**QUESTION ONE (COMPULSORY)**

1. Explain the main difference between pension fund and provident fund **[5 marks]**
2. Explain “**Defined benefits schemes and Defined contributions schemes**” **[4 marks]**
3. Explain the methods of funding pension schemes **[3 marks]**
4. Describe roles and responsibilities of national social security fund **[4 marks]**
5. Explain social security fund and scope of coverage **[4 marks]**
6. What is “**Death in service**” benefit? **[2 marks]**
7. Outline measures that government has put into place to protect the workers. **[3 marks]**

**QUESTION TWO**

1. Describe the main contents of trustee deed or set of rules  **[9 marks]**
2. Explain four types of pension plans in Kenya **[6 marks]**

**QUESTION THREE**

1. Explain circumstances that may disqualify one from pension funds  **[8 marks]**
2. Describe categories of dependents that can enjoy the pension funds in case of death of contributor **[7 marks]**

**QUESTION FOUR**

1. Write short notes on
2. Pension transfer **[3 marks]**
3. Pension switch **[3 marks]**
4. Pension conversion **[3 marks]**
5. Discuss pros and cons of early retirement **[6 marks]**

**QUESTION FIVE**

Nasra worked in public service commission for a period of thirty one years, before she retired her pays lip contain following details

1. monthly basic salary of 45800ksh,
2. house allowance was 3500,
3. transport allowance 2300,
4. medical allowance 2100,
5. annual leave allowance of 4000ksh

During her tenure she had 1090 days of leave without pay, the tax was at fixed rate of 30% in regard to above given information calculate the following

* + 1. Her monthly pension
		2. Gratuity(Earning after tax)
		3. Tax
		4. Number of days she worked [**15 marks]**

**QUESTION SIX**

1. Explain the term preservation of pension fund **[3 marks]**
2. Discuss the effects of mergers and takeovers on pension schemes **[12 marks]**