



## **GARISSA UNIVERSITY COLLEGE**

*(A Constituent College of Moi University)*

**UNIVERSITY EXAMINATION 2016/2017 ACADEMIC YEAR THREE  
SECOND SEMESTER EXAMINATION**

**SUPPLEMENTARY/SPECIAL 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: 25/09/17**

**TIME: 2.00-5.00 PM**

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### **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)

- (a) Explain different types of pension schemes [4 marks]
- (b) Describe two methods of funding retirement benefits [4 marks]
- (c) Explain two main reasons that may disqualify employee from enjoying retirement benefits [4 marks]
- (d) Explain individual's eligible for retirement benefits [4 marks]
- (e) Write short notes on
  - i. Gratuity [3 marks]
  - ii. Voluntary retirement schemes [3 marks]

### QUESTION TWO

- (a) Explain main features of group pension schemes [5 marks]
- (b) Discuss emerging issues in pension management in today's public sector [6 marks]
- (c) Bring out main differences between provident funds and pension schemes [4 marks]

### QUESTION THREE

- (a) Explain the circumstances under which an employee may seek early retirement [8 marks]
- (b) Discuss employees welfare programs that must be provided by employers [7 marks]

### QUESTION FOUR

- (a) Mismanagement of retirement benefits by trustees and illiteracy amongst employees, contributes to post-employment poverty amongst public employees. Discuss [9 marks]
- (b) What measures is government putting in place to safeguard employees' pension funds [6 marks]

### QUESTION FIVE

- (a) In case of death and disability resulting from work environment, the employees are entitled to provident funds. Highlight the immediate beneficiaries' of these funds [7 marks]
- (b) Musa's last basic salary before he went for retirement was 40,000 and he worked with that organization for 30years. Calculate his;
  - i. Monthly pension [4 marks]
  - ii. Amount he took for gratuity [4 marks]

### QUESTION SIX

- (a) Explain the term bureaucracy [3 marks]
- (b) Discuss main characteristics of bureaucracy [7 marks]
- (c) Explain shortcomings of bureaucracy in organization management [5 marks]

