

GRE TSA UNIVERSITY - THIKA

**UNIVERSITY EXAMINATIONS
MAY- AUGUST 2023 SEMESTER**

BACHELOR OF COMMERCE

COURSE CODE: BCCR403

COURSE TITLE: PRINCIPLES AND PRACTICES OF DEBT RECOVERY

DATE:

TIME:

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **THREE** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: *All exam rooms are under CCTV surveillance during the examination period.*

SECTION A: COMPULSORY

Question One

- a) Discuss the impact of technology and digital platforms on debt recovery practices. **[8 marks]**
- b) What legal frameworks and international conventions exist to facilitate the recovery of debts across different jurisdictions? **[12 marks]**
- c) Discuss the practices and strategies employed by debt recovery agencies to recover outstanding debts. **[12 marks]**
- d) What are the key laws and statutes that creditors and debtors should be aware of when pursuing or defending against debt recovery actions? **[8 marks]**

SECTION B: ANSWER ANY THREE QUESTIONS

Question Two

- a) The Management should particularly be interested in knowing financial strengths of the firm to make their best use and to be able to spot out financial weaknesses of the firm to take suitable corrective actions. Discuss the functions of a debt collector **[10 marks]**
- b) discuss the types of alternative dispute resolution mechanisms between the debtors and creditors **[10 marks]**
- e)

Question three

Your Company has been trading with Samo limited subject to terms and conditions to supply raw materials to Corner bakers limited. A director of Corner limited was committed to civil jail for failing to pay your company after a long court case;

- a) Explain the reasons for committing a judgement debtor to civil jail **[8 marks]**
- b) Discuss the disadvantages of using Garnishee orders **[12 marks]**

Question Four

- a) The financial manager can influence volume of credit sales and collection period through credit policy which includes credit standards, credit terms and collection efforts. Discuss the types of Factoring **[10 marks]**
- b) The type of financing that a firm engages in depends of the policy statement guiding the organisation. Describe the types of financing that can be used by organisations **[10 marks]**

Question five

- a) Credit limit is a maximum amount of credit which the firm will extend at a point of time. Explain the advantages of invoice discounting in relation to debt recovery **[10 marks]**
- b) Explain the principle of debt recovery and its significance in the context of commercial transactions. **[10 marks]**