

MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS**

**2015/2016 ACADEMIC YEAR**

***SECOND* YEAR *SECOND* SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS**

**BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BHR 411**

**COURSE TITLE:** **RETIREMENT&PENSION SCHEMES**

**DATE: 6TH MAY 2016 TIME: 11-1PM**

**INSTRUCTIONS TO CANDIDATES**

1. Answer Question **ONE** and any other **THREE** questions
2. All Examination Rules apply

*This paper consists of* ***2***  *printed pages. Please turn over.*

**QUESTION ONE (25 MARKS)**

An annuity is a lump sum of cash invested to produce a monthly stream of income for a fixed period or for life. The income can start now or in the future. Funds are not protected or insured by the issuers. The size of the future monthly check isn’t always a given – it depends if the annuity is fixed or variable. Based on this information, advice the management of Narok County Government on the various types of annuities in the labour market,and the prons and cons on the use of annuities.

**QUESTION TWO (15 MARKS)**

Gratuity is a monetary gift from an employer to an employee especially for services rendered. The Employment Act provides for its definition and also for instances when it should be given. Gratuity is paid in lump sum by employer to an employee if he or she retires or resigns from employment. To end the conflicts between employees and employer, advise the management of Narok Water and Sewerage Company on the Various Types of gratuities available and why it should honour paying its employees.

**QUESTION THREE (15 MARKS)**

An Act of parliament established a Retirement Benefit Authority for the regulation, supervision and promotion of retirement benefits schemes. The Authority activities are regulated by a board appointed by the president. Outline the composition of this Board and discuss its mandate in the Authority Management.

**QUESTION FIVE (15 MARKS)**

XyZ ltd invited you as a lead consultant in Human Resource Management. Out of experience advise the management of the company on the possible emerging issues in Retirement and Benefit Scheme Management.