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BAN 2601

MAY/JUNE 2017

Money and Banking

STUDENT NUMBER									

IDENTITY NUMBER											

FOR USE BY EXAMINATION INVIGILATOR

Money and Banking

Subject

Number of paper

Date of examination

Examination centre

Question No	Marks					
	Examiners					
	1	2	3			
1						
2						
3						
4						
Total						

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BAN2601

May/June 2017

MONEY AND BANKING

Duration 2 Hours

70 Marks

EXAMINERS .

FIRST

MR C NYOKA

SECOND

MR K DE JENGA

Closed book examination

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The paper consists of 10 pages, including this page

This examination consists of FOUR (4) questions

Answer ALL questions on the examination paper in the space provided

Question 1

Identify and discuss any **FOUR** types of Financial Institutions that operate in your economy and highlight their main contributions to the development of that particular economy [20]

Question 2

What role do financial institutions play under intermediation? In your answer highlight the main cost advantages of intermediation [20]

Question 3

[15]

- a) Explain Liquidity risk and how a financial institution may go about managing this risk (8)
- b) List and evaluate any **FOUR** instruments that the Central Bank uses during its supervisory function of Commercial banks (7)

Turn over

Question 4

[15]

Discuss any **THREE** functions of money and justify their importance

Turn over

TOTAL = 70 marks