



# TECHNICAL UNIVERSITY OF MOMBASA

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SCHOOL OF BUSINESS

DEPARTMENT OF BUSINESS ADMINISTRATION

**UNIVERSITY EXAMINATION FOR:**

**BACHELOR OF BUSINESS ADMINISTRATION BACHELOR OF**

**COMMERCE**

**BFI 4408 : MONEY AND BANKING**

**END OF SEMESTER EXAMINATION**

**SERIES: APRIL 2016**

**TERM PAPER TWO**

**TIME: 2 HOURS**

**DATE:** Pick Date Select Month Pick Year

## **Instructions to Candidates**

You should have the following for this examination

*-Answer Booklet, examination pass and student ID*

This paper consists of **FIVE** questions. Attempt question ONE (Compulsory) and any other TWO questions.

**Do not write on the question paper.**

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## **Question ONE**

- (a) What are the dis-advantages of barter trade (*10 marks*)
- (b) Explain the forms and characteristics of money (*10 marks*)
- (c) Provide a brief history of the central Bank of Kenya (*10 marks*)

## **Question TWO**

- (a) What are the primary functions of Commercial banks (*10 Marks*)
  
- (b) What are the secondary functions of Commercial banks (*10 Marks*)

## **Question THREE**

- (a) Explain stages through which money evolved (*10 marks*)
- (b) Discuss the Quantitative theory of money and key its features (*10 Marks*)

## **Question FOUR**

What do you understand by the term Money Laundering (*5 marks*)

How does money laundering impact Kenya's economy (*15 marks*)

## **Question FIVE**

Write short notes on the following:

*(5 marks each)*

- (a) Banking and Non-Banking Institutions
- (b) Velocity of money
- (c) Savings and Current accounts
- (d) Short and Long Term loans