



TECHNICAL UNIVERSITY OF MOMBASA

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.

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