



**TECHNICAL UNIVERSITY OF MOMBASA**  
*Faculty School of Business*  
**DEPARTMENT OF ACCOUNTING & FINANCE**

UNIVERSITY EXAMINATIONS FOR DEGREE IN  
BACHELOR OF BUSINESS ADMINISTRATION

**BFI 4408: MONEY & BANKING**

END OF SEMESTER EXAMINATIONS

**SERIES: DECEMBER 2016**

**TIME: 2 HOURS**

**INSTRUCTIONS:**

Answer Question **ONE (Compulsory)** and any other **TWO** questions.

**This paper consists of Two printed pages**

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**QUESTION ONE (COMPULSORY)**

- a) What is Islamic banking? **(2 Marks)**
- b) What is the role of Islamic banking in the economy? **(10 Marks)**
- c) What are the challenges facing Islamic banking? **(10 Marks)**
- d) Briefly explain duties of a customer to the bank **(8 Marks)**

## **QUESTION TWO**

- a) Discuss giving relevant examples, the challenges and problems facing the banking industry in Kenya. **(10 Marks)**
- b) What is mobile banking? **(2 Marks)**
- c) List the advantages and disadvantages of mobile banking **(8 Marks)**

## **QUESTION THREE**

- a) The relationship between a banker and a customer is that of a debtor and a creditor. Discuss **(10 Marks)**
- b) Discuss the rights of a banker towards its customers **(10Marks)**

## **QUESTION FOUR**

- a) Discuss the factors which a bank must consider before extending loan facility to a prospective customer. **(10 Marks)**
- b) What is the importance of agency banking? **(10 Marks)**

## **QUESTION FIVE**

Discuss giving examples different types of loans offered by banks **(20 Marks)**