



TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT SCIENCE

UNIVERSITY EXAMINATION FOR:

DIPLOMA IN SHIPPING

BSP 2203: SHIPPING FINANCE

END OF SEMESTER EXAMINATION

SERIES: AUGUST, 2019

TIME: 2 HOURS

DATE: AUGUST, 2019

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) Explain the steps followed in securitization **(10 Marks)**
- (b) What are the principal advantages of KG financing? **(10 Marks)**
- (c) What are the bank debt available to shipping businesses? **(10 Marks)**

QUESTION TWO

- (a) Explain the essential elements of a financial system **(10 Marks)**
- (b) Discuss the principles of good lending that banks must adhere to. **(10 Marks)**

QUESTION THREE

- (a) What are the benefits of using equity in financing a shipping operations? **(10 Marks)**
- (b) Discuss features of a typical shipping cycle **(10 Marks)**

QUESTION FOUR

- (a) Discuss the ship mortgage. **(10 Marks)**
- (b) Explain principle reasons why ship owners list their companies' shares in international Securities exchange. **(10 Marks)**

QUESTION FIVE

- (a) Explain the basic objectives of securitization. **(10 Marks)**
- (b) What are the principles of Islamic banking? **(10 Marks)**