

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE
OF BACHELOR IN COMMERCE

BCOM 331: FINANCIAL INSTITUTIONS & MARKETS

STREAMS: BCOM, (ODEL) Y3S1

TIME: 2 HOURS

DAY/DATE: THURSDAY 01/04/2021

8.30 A.M. – 10.30 A.M.

INSTRUCTIONS:

- *Answer question one and any other two questions*
- *Do not write anything on the question paper*

QUESTION ONE

- (a) Explain how regulations have facilitated the growth and development of capital markets. (10 marks)
- (b) Describe some of the factors that have facilitated the integration of financial markets and institutions throughout the world. (6 marks)
- (c) Discuss the role played by the securities exchange in economic development. (10 marks)
- (d) Highlight the differences between capital and money market. (4 marks)

QUESTION TWO

- (a) Explain the different types of organizations that are involved in tapping savings and channeling it to users of funds. (12 marks)
- (b) Describe the main functions that central bank undertakes in any country. (8 marks)

QUESTION THREE

- (a) Describe the main activities performed by financial institutions around the world. (10 marks)
- (b) Explain the various types of financial instruments that derive their value from other securities (10 marks)

QUESTION FOUR

- (a) Describe the advantages of a central depository systems account. (6 marks)
- (b) Explain the challenges encountered in the money market that have prohibited growth of this market. (8 marks)
- (c) Highlight the role of the capital market authority. (6 marks)
-