

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE BCOM 333- MONEY AND BANKING

BCOM 333: MONEY AND BANKING

STREAMS: BCOM Y3S2 (ODEL)

TIME: 2 HOURS

DAY/DATE: THURSDAY 8/08/2019

8.30 P.M - 10.30 A.M.

INSTRUCTIONS

- Answer Question **ONE (COMPULSORY)** and any other **TWO** questions.
- Do not write anything on the Question Paper

- (a) Describe the various functions of money for business transactions. [10 Marks]

(b) Commercial banks play an important role in economic development of a country. Discuss. [10 Marks]

(c) Explain the mandate of National Social Security Fund (NSSF) that makes to be classified as a financial institution in Kenya. [10 Marks]
- (a) State and briefly explain the qualities of good money material. [10 Marks]

(b) Describe the various kinds of money operating in the global market. [10 Marks]
- (a) Using illustration describe how can you determine the value of money using quantity theory. [12 Marks]

(a) A country may face various types of inflation. Briefly explain the types of inflation that may affect a county. [8 Marks]
- (a) Commercial banks uses various instruments of creating credits. Describe the tool banks used to advance credit in the economy. [8 Marks]

(b) Identify the methods applied by central bank in controlling credits and on each method explain how they are operationalised by the institution in controlling credits. [12 Marks]