

CHUKA



UNIVERSITY

RESIT/ SPECIAL EXAMINATIONS

**EXAMINATION FOR THE AWARD OF
BACHELOR OF COMMERCE**

BCOM 331: FINANCIAL INSTITUTIONS AND MARKETS

STREAMS: BCOM

TIME: 2 HOURS

DAY/DATE: MONDAY 23/07/2018

2.30 PM – 4.30 PM

INSTRUCTIONS:

Answer Question One and any other Two

Question One

- (a) Explain the various types of financial institutions in Kenya. [10 marks]
- (b) Describe the functions of capital markets. [5 marks]
- (c) Explain any recent development in the securities exchange market. [5 marks]
- (d) Describe any 5 functions of financial institutions. [10 marks]

Question Two

- (a) Describe 4 types of derivatives found in the derivative market. [8 marks]
- (b) Explain some of the factors that have led to the rapid development of the capital market. [6 marks]
- (c) Explain the role of central bank to any country. [6 marks]

Question Three

- (a) Explain the role of securities exchange in economic development of a country. [10 marks]

(b) Describe 5 types of bonds found in the bond market. [10 marks]

Question Four

(a) Describe some of the risks faced by financial institutions in delivering their services. [10 marks]

(b) Describe some of the participants of the securities exchange. [4 marks]

(c) Explain any 4 regulations of financial institutions and markets. [6 marks]
