

# WOMEN'S UNIVERSITY IN AFRICA



*Addressing gender disparity and fostering equity in University Education*

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**FACULTY OF MANAGEMENT AND ENTREPRENEURIAL SCIENCES**

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**BSc HONOURS DEGREE IN MANAGEMENT AND ENTREPRENEURIAL  
SCIENCES SPECIALISING IN BANKING AND FINANCE**

**MAIN PAPER**

**BMF 223: MONEY AND BANKING**

**INTAKE 25: SECOND YEAR SECOND SEMESTER**

**TIME: 2 HOURS MORNING**

**INSTRUCTIONS TO CANDIDATES**

Answer **Question 1** and any other **two**.

### **Question 1**

The financial system in 2008 was marred with debacles from different financial institutions which lead to the international financial crisis.

- a) Discuss the causes for the collapse or near collapse of SIMUTOMO bank. [10]
- b) Assess the financial management regulation lessons that can be drawn from the collapse or near collapse of the institution. [15]

### **Question 2**

Discuss the roles of the following regulatory bodies in regulating financial institutions.

- a) RBZ [10]
- b) IPEC [8]
- c) SEC [7]

### **Question 3**

Discuss the functions of the following players in the financial services sector.

- a) Merchant banks [5]
- b) Pension funds [5]
- c) Venture capitalists [5]
- d) Commercial banks [5]
- e) Finance houses [5]

### **Question 4**

- a) Analyse the role played by the International Monetary Fund to member states. [10]
- b) Discuss the criticism levelled against the World Bank to member states. [15]

### **Question 5**

- a) Explain the form of monetary policy that is used to stimulate an economy from recession; illustrating your answer with an IS-LM diagram [15]
- b) Outline the different types of lags in the formulation and implementation of monetary policy [10]

### **Question 6**

- a) Analyse the pillars of the Basel 11 framework as an international tool for managing banks. [15]
- b) Discuss the relevancy of the Basel framework in managing banks in developing countries. [10]

**END**