

WOMEN'S UNIVERSITY IN AFRICA



Addressing gender disparity and fostering equity in University Education

FACULTY OF MANAGEMENT AND ENTREPRENEURIAL SCIENCES

BACHELOR OF ACCOUNTING SCIENCE HONOURS DEGREE

MAIN PAPER

BAS422: MONEY AND CAPITAL MARKETS

INTAKE 8: FOURTH YEAR SECOND SEMESTER

TIME: 2 HOURS MORNING

INSTRUCTIONS TO CANDIDATES

Answer any **three** questions.

Question 1

Discuss the five methods companies may use to issue equity share capital. [25]

Question 2

Examine the economic functions of the Financial markets. [25]

Question 3

Discuss the roles of the primary and secondary markets. [25]

Question 4

Examine the characteristics of a good Financial Market. [25]

Question 5

Examine the role following financial instruments used in the financial markets:

- a) Treasury bonds; [5]
- b) Treasury bill; [5]
- c) Banker's acceptance; [5]
- d) Commercial paper; and [5]
- e) Corporate bonds. [5]

Question 6

- a) Using the Loanable Fund Theory, examine how the quantity of loanable funds supplied and demanded are determined in the financial markets. [15]
- b) Examine the factors that affect the quantity of loanable funds supplied in the financial markets. [10]

Question 7

- a) Discuss why financial systems should be regulated. [10]
- b) Discuss the factors that affect the individual interest rates of individual securities. [15]

END