

**NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BANKING**

**BACHELOR OF COMMERCE HONOURS DEGREE IN BANKING**

**MONEY AND BANKING**

**CBA 2102**

**SUPPLEMENTARY EXAMINATION**

**JULY 2005**

**INSTRUCTIONS TO CANDIDATES**

- (i) Time : 3 hours.
  - (ii) Answer any **FOUR** questions
  - (iii) All questions carry equal marks
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**QUESTION 1**

What are Unit Trusts? State and explain clearly the various characteristics and advantages of Unit Trusts. Discuss two types of Unit Trusts offered by any financial institution in Zimbabwe which can help an investor seeking higher returns and to protect himself from spiralling inflation. [20]

**QUESTION 2**

- (a) Discuss clearly five major roles of financial markets. [ 5]
  - (b) Discuss five major characteristics of financial assets. [ 5]
  - (c) Discuss briefly five major functions of the central bank. [ 5]
  - (d) Discuss briefly but clearly the CAMEL system as used by bank supervisor in controlling imprudent bank behaviour. [ 5]
- TOTAL [20]**

**QUESTION 3**

Compare and contrast the economic roles played by commercial and Development banks in Zimbabwe since independence. [20]

**QUESTION 4**

The Zimbabwean Financial system is considered to be highly diversified and sophisticated as compared to other sub-Saharan African countries. Discuss. [20]

**QUESTION 5**

Using the classical and the Keynesian arguments. Discuss the role that money plays in economic activity. Support your arguments where possible with Zimbabwean examples.

**[20]**

***END OF EXAMINATION PAPER***