



NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE

DEPARTMENT OF BANKING

BACHELOR OF COMMERCE HONOURS DEGREE IN BANKING

BANKING AND DEVELOPMENT I

CBA 4101

FINAL EXAMINATION

NOVEMBER/DECEMBER 2014

TIME: 3 HOURS

INSTRUCTIONS TO CANDIDATES

- Answer any four (4) questions.
- Start the answer to each full question on a fresh page of the answer sheet.
- All calculations are to be presented in good style and workings should be shown.

INFORMATION FOR CANDIDATES

- Each question carries 25 marks
- Use of calculators is permissible
- The businesses in this question paper are intended to be fictitious.

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QUESTION ONE

Using the Solow growth model, analyse Zimbabwe's current macroeconomic performance. **[25 Marks]**

QUESTION TWO

Assess the impact of financial repression on the performance of the Zimbabwean financial system. **[25 Marks]**

QUESTION THREE

High non-performing loans have been a characteristic of the Zimbabwean banking system from 2009 to date and they lead to the fragility of the financial system. Discuss the possible causes of non-performing loans at both micro and macro level.

[25 Marks]

QUESTION FOUR

According to Zimstats, roughly 70% of the population in Zimbabwe live in rural areas and lack access to financial services. Discuss the products and services that are relevant to provide effective rural financial intermediation in Zimbabwe.

[25 Marks]

QUESTION FIVE

Agricultural Development Bank (Agribank) is a government-owned commercial bank with a mandate to finance agriculture. However, the agricultural sector is performing sub optimally due to underfunding and Agribank's poor performance, among other factors. Evaluate the innovative gaps in Agribank's model of financial intermediation.

[25 Marks]

QUESTION SIX

- a) Compare and contrast entrepreneurial cultures in the United States of America and Zimbabwe. **[8 Marks]**
- b) Assess the impact of entrepreneurship in Zimbabwe's economic performance. **[17 marks]**

TOTAL [25 MARKS]