

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY

FACULTY OF INDUSTRIAL TECHNOLOGY

DEPARTMENT OF INDUSTRIAL & MANUFACTURING ENGINEERING

Supplementary Examination – August 2011

BUSINESS STUDIES I – TIE 3117 (Banking)

Instructions to students

Time allowed: 3 hours

- 1. Answer any FOUR questions*
- 2. Use clear handwriting*

QUESTION 1

- (a) State and describe the essential characteristics of money. [12]
- (b) What were the problems associated with barter trade? [6]
- (c) Did the appearance of money solve problems associated with barter trade? Explain. [7]

QUESTION 2

- (a) How would you define a financial intermediary? [5]
- (b) Classify financial intermediaries in the financial system of Zimbabwe. [10]
- (c) Name and explain the functions of financial intermediaries. [10]

QUESTION 3

- (a) Explain clearly how banks create money and state the major factors that do limit the ability of such a system to create money. [12]
- (b) What are the primary functions of a Central Bank? [13]

QUESTION 4

- (a) What are the objectives for Banking Supervision in Zimbabwe? [10]
- (b) How effective (in your opinion) is the Zimbabwean Payment System? [15]

QUESTION 5

- (a) Differentiate between money and capital markets. [6]
- (b) Outline the properties of financial assets. [10]
- (c) Write brief notes on the secondary markets and their relevance to the Zimbabwean economy. [9]

END OF EXAM