

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY



FACULTY OF INDUSTRIAL TECHNOLOGY DEPARTMENT OF INDUSTRIAL AND MANUFACTURING ENGINEERING

Bachelor of Engineering Honours Degree Industrial and Manufacturing Engineering

2nd Semester Main Examination

COURSE : BUSINESS STUDIES II
CODE : TIE 3217
DATE : APRIL/MAY 2014
DURATION : 3 HOURS

INSTRUCTIONS AND INFORMATION TO CANDIDATE

- The paper contains SIX (6) questions.
- Answer any FOUR (4) questions.
- All questions carry equal marks [25 marks].
- Start the answer to each question on a fresh page of the answer sheet.

INFORMATION FOR CANDIDATES

- Questions may be written in any order, but must be legibly numbered.
- Indicate on your answer booklet whether you are in the conventional or parallel programme.
- The businesses in this question paper are intended to be fictitious.

QUESTION 1

“Money is what money does”, discuss this statements.

[25 marks]

QUESTION 2

(a) Describe the link between the manufacturing and the financial sectors. [12 marks]

(b) The Zimbabwean dollar was faced out in the year 2009; explain why it no longer functions as cash. [13 marks]

QUESTION 3

(a) Describe the evolution of money. [10 marks]

(b) Discuss how money is created in an economy. [15 marks]

QUESTION 4

(a) Describe the roles of the Reserve Bank of Zimbabwe (RBZ). [15 marks]

(b) To what extent has the Reserve bank of Zimbabwe been able to effectively carry out its duties? [10 marks]

QUESTION 5

Discuss the social cost of inflation.

[25 marks]

QUESTION 6

Briefly explain the major functions of the following institutions:

i) Central Bank [10 marks]

ii) Commercial Banks [5 marks]

iii) Merchant banks [5 marks]

END OF EXAMINATION