

**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**

**BUSINESS STUDIES II
TIE 3217**

Second Semester Examination Paper
April/May 2015

This examination paper consists of 2 printed pages

Time allowed : 3 Hours

Total Marks : 100

Examiner's Name: Mr Steven Dlamini

INSTRUCTIONS TO CANDIDATES

1. The paper contains **SIX (6)** questions.
2. Answer any **FOUR (4)** questions.
3. All questions carry equal marks **[25 marks]**.
4. 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 ONE

- a) What is legal tender? [5 marks]
b) Money is “what it does”. Discuss. [20 marks]

QUESTION TWO

- a) Your friend has just returned from holiday in a primitive country where he enjoyed bargaining in the markets for local goods. He became highly skilled in bartering items of clothing for a variety of produce and cannot understand why departmental stores will not allow him to “buy” in the same way. Explain why such a system would not work in Zimbabwe today. [10 marks]
- b) In light of the characteristics and functions of money, explain why the Zimbabwean dollar no longer qualified as money. [15 marks]

QUESTION THREE

Analyze the statement that, “Inflation is too much money chasing a few goods”. [25 marks]

QUESTION FOUR

Briefly explain the major functions of the following institutions:

- | | | |
|------|---------------------|------------|
| i) | Central Bank, | [10 marks] |
| ii) | Commercial Banks, | [5 marks] |
| iii) | Merchant banks, | [5 marks] |
| iv) | Building Societies. | [5 marks] |

QUESTION FIVE

- a) Who is responsible for setting monetary policy in Zimbabwe? [2 marks]
b) Discuss the tools that the responsible authority has at its disposal in implementing monetary policy in Zimbabwe. [23 MARKS]

QUESTION SIX

Describe the role played by Micro Finance Institutions in the development of the Zimbabwean economy. [25 MARKS]

End of Examination