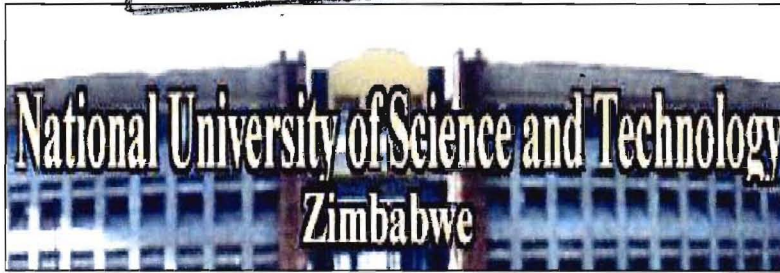


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FACULTY OF COMMERCE

DEPARTMENT OF FINANCE

PROJECT TOPIC

**AN INVESTIGATION INTO THE SCOPE OF SETTING UP AN
ALTERNATIVE OR SECOND-TIER STOCK EXCHANGE**

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**PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS OF THE BACHELOR OF COMMERCE HONOURS
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PROJECT SUPERVISOR: MRS A CHIVORE

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ABSTRACT

The main thrust of this paper is to provide a broad investigation on the need for setting up an alternative stock exchange in Zimbabwe. An alternative stock exchange enhances the make-up of stock markets and contributes to the efficiency of financial markets through capital mobilization and operational efficiency. Efficient markets are the hallmark of a strong and healthy economy.

This study therefore seeks to identify the factors which make the setting up of an alternative stock exchange worthwhile. It is a given that small firms are drivers of economic growth globally and Zimbabwe included although most of them locally are informal set-ups. Lack of financial capital has been identified as the greatest constraint to their growth.

The goal of this research paper therefore is to investigate the scope of setting up an alternative stock exchange which will bridge this financing gap that exists because of the lack of access to capital by small firms. Attention will also be focused on the benefits to these small firms in terms of the expected change in operations. The paper will conclude with exploring recent trends in stock market development in Africa.

The research comprises of five chapters. Chapter One is the introduction. It outlines the background to the study as to where the discussion emanates from. It encompasses the research problem, objectives, hypotheses, and the significance of the topic and why it was chosen amongst other topical issues in finance. Chapter Two is the literature review which looks at the theoretical concepts pertaining to the subject matter of the research paper and also looks at the existing literature on the topic. Chapter Three is the methodology where the researcher looks at the different methods used to gather information used in the study and justification of using the methods. Chapter Four deals with the data presentation and analysis where the information obtained in the field is presented and analysed. Chapter Five concludes the research, gives recommendations and suggests areas for further research.