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KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR
FOR THE CERTIFICATE IN BANKING AND FINANCE
CBF 201: ELEMENTS OF BANKING

Date: 13TH APRIL 2023
Time: 2:30PM-4:30PM

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- State any **six** reasons that would make a bank dishonor payment of a cheque. (6 Marks)
- Explain **six** types of banks in Kenya. (6 Marks)
- state and any six accounts offered by banks to their customers. (6 Marks)
- Explain any **six** modern trends that have been witnessed in banking in Kenya in recent times. (6 Marks)
- Briefly explain six forms of e-banking service delivery channels in Kenya. (6 Marks)

QUESTION TWO (20 MARKS)

- Imagine the scenario of barter system in today's economies. Discuss the possible setbacks of such a system. (8 Marks)
- Explains the roles financial Intermediaries in the economic development. (7 Marks)
- Briefly explain the five stages in the evolution of money. (5 Marks)

QUESTION THREE (20 MARKS)

- Besides electronic banking; discuss five benefits of technological advancement in the banking industry. (7 Marks)
- Briefly explain seven characteristics of money. (7 Marks)
- Explain how the central bank acts as banker to commercial banks. (6 Marks)

QUESTION FOUR (20 MARKS)

- Explains four differences between central bank and commercial banks in Kenya. (8 Marks)
- Akuku Danger Wholesalers Ltd has been on Business of selling second hand clothes and he wants a loan to expand his business. Explain the factors the bank will consider before awarding him a loan. (6 Marks)
- You have called by a SACCOs regulator to train on methods that SACCOs could employ in place to mitigate loan default. State and explain five methods of collecting debt in a SACCO (6 Marks)

QUESTION FIVE (20 MARKS)

- Explain THREE types of Money. (6 Marks)
- Discuss THRE arguments against independence of Central Banks. (6 Marks)
- Outline FOUR factors that have led to growth of digital microfinance in Kenya. (8 Marks)