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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY
UNIVERSITY EXAMINATION, 2018/2019 ACADEMIC YEAR
DIPLOMA IN BANKING AND FINANCE**

DBF 1101 – LAW RELATING TO BANKING SERVICES

Date: 10th April, 2018
Time: 8.30pm – 10.30pm

INSTRUCTIONS TO CANDIDATES

ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS

QUESTION ONE (30 MARKS)

- a) Discuss the components/parts of a financial system. (5 Marks)
- b) Discuss the ethical standards required in the running of a banking industry. (6 Marks)
- c) Discuss the procedure of opening a bank account. (5 Marks)
- d) Explain in details the meaning of a garnishee order and how it applies. (5 Marks)
- e) Define the following terms;
- i) Power of attorney (2 Marks)
- ii) Countermand payment (2 Marks)
- f) Explain the factors that lead to liquidations or insolvency of a bank. (5 Marks)

QUESTION TWO (20 MARKS)

- a) It is unwise for a banker to open an account until he/she is satisfied as to the character and standing of the applicant and knows the nature of the applicant's employment and the employer's name. Explain the Particulars usually required. (10 Marks)
- b) Discuss under which circumstances can the bank Terminate the Authority to Pay. (10 Marks)

QUESTION THREE (20 MARKS)

- a) Briefly explain the duties and right of bankers to customers (10 marks)
- b) Discuss the functions of financial systems in Kenya. (10 Marks)

QUESTION FOUR (20 MARKS)

- a) In Kenya with have various regulation bodies which oversee the running of financial institution. Discuss their existence relevance. (10 Marks)
- b) Recently there is high cases fraud and forgery in the banking sector. Discuss the types of frauds and forgery practiced in Kenya. (10 Marks)

QUESTION FIVE (20 MARKS)

- a) Discuss the ethical standard and professionalism in the running of a banking industry. (10 Marks)
- b) Explain the General features of negotiable instruments. (10 Marks)