LAIKIPIA UNIVERSITY COLLEGE

BCOM 330 FINANCIAL INSTITUTIONS AND MARKETS

CONTINOUS ASSESSMENT TEST 1

Attempt any two questions

1. “Financial sector regulation can either be consolidated, or consist of a number of independent regulators each charged with the supervision of their particular sub sectors.”
   1. Under which of the two categories above does Kenya financial sector regulation fall (2 mks).
   2. Discuss in detail the structure of financial sector regulation in kenya, using diagrams to illustrate where appropriate. (8 mks)
   3. What are the merits and demerits in the Kenyan model of financial sector regulation (5 mks).
2. “Investment banks are financial intermidiaries charged with the responsibility of garnering the savings of thrifty people and directing these funds into the business enterprises seeking capital for acquisition of plant and equipment, and for holding inventories”
   1. Discuss FOUR functions of investment banks (8 mks).
   2. List TWO underwriting techniques applied by investment banks (2 mks).
   3. Outline TWO roles played by development banks in kenya (5 mks)
3. The central bank and credit refernce bureaus form a key component of Kenyas financial sector
   1. Discuss the establishment and the mandate of the central bank of Kenya (10 mks).
   2. Outline the funtions to be played by credit reference bureaus (5 mks).