

UGANDA MARTYRS UNIVERSITY
FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT

MONEY, BANKING AND PUBLIC FINANCE

BAM 111

SPECIAL/ SUPPLEMENTARY EXAMINATION

DATE: 4th/08/2015

INSTRUCTIONS

- **Attempt 4 Questions in total**
- **Section A is Compulsory**
- **Attempt any two Questions from Section B**
- **All numbers carry a total of 25 marks**

SECTION A

1 a) Explain the following types of money

- Commodity Money (3marks)
- Receipt Money (3marks)
- Fractional Money (3marks)
- Fiat Money (3marks)

b) Differentiate between the following:

- Barter System of Exchange Vs Money system of exchange (4marks)
- Monetary policy and Fiscal Policy (4marks)
- Bonds and Treasury Bills (5marks)

2 a) Explain the characteristics of good money (10marks)

b) Why is money considered to be:

- a Unit of Value (3marks)
- Standard of deferred payments (3marks)
- a medium of exchange (3marks)

c) Give and explain any two ways of measuring money (6marks)

SECTION B

3 a) Explain the different types of development Banks (8marks)

b) What Role do development banks play in achieving sustainable development of a country? (8marks)

c) State the challenges facing effective performance of development banks in East Africa (9marks)

4 a) Define the term Capital Markets (3marks)

b) What benefits do organizations get from capitalizing through capital markets (12marks)

c) Why are capital markets in Uganda and many developing countries still under developed? (10marks).

5. a) 'Many times monetary policy fails to achieve its intended goals in developing economies'. Explain the common reasons for failure of monetary policy in achieving its intended goals? (14marks)

b) State and explain the key credit controls implemented by the Central Bank to ensure economic stability? (11marks)

6 a) State and explain the different options the Uganda Government currently uses in rising Public revenue? (10marks)

b) What are the key principles of public expenditure? (15marks)