



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

**BACHELOR OF COMMERCE HONOURS DEGREE IN BANKING &
FINANCE**

MONEY & BANKING

HBAF 201

PART 2 SEMESTER 1

Total Marks [100]

DATE: APRIL 2024

Time: 3 Hours

INSTRUCTIONS

1. This paper has *six (6)* questions
2. Answer question *one (1)* and *any* other *three (3)*
3. Each question carries *25 marks*
4. Start each question on a new page

1. a) Discuss the role of financial markets in promoting economic efficiency in Zimbabwe. (10)
b) Explain why money market securities make better investments than capital market securities. (15)
2. Discuss the features of financial Instruments and their relation. (25)
3. a) Appraise the importance of secondary market for a listed company. (15)
b) Compare and contrast exchanges and OTC markets. (10)
4. Explain why a government that must run up a large national debt to finance extraordinary expenses over the next several years might choose to surrender the power of money creation to a central bank beyond government's control. (25)
5. Compare and contrast the features of depository institutions and contractual Savings Institutions. (25)
6. Discuss the functions of financial intermediaries in the economy of Zimbabwe. (25)

END OF PAPER