



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2022/2023 ACADEMIC YEAR
THIRD YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS
BACHELOR OF COMMERCE**

**COURSE CODE: BCM 3115-1
COURSE TITLE: FINANCIAL INSTITUTIONS AND
MARKETS**

DATE: 6TH DECEMBER 2022

TIME: 1430-1430

INSTRUCTIONS TO CANDIDATES

Answer Question **ONE** and any other **TWO** Questions

This paper consists of 2 printed pages. Please turn over.

Question one

- a) Discuss **five** critical roles played by Nairobi Securities Exchange in the financial market. **(10 marks)**
- b) In the context of Nairobi Securities Exchange, define the following terms:
 - i) Jobbers **(1 mark)**
 - ii) Stags **(1 mark)**
 - iii) Bears **(1 mark)**
 - iv) Bull **(1 mark)**
 - v) Broker **(1 mark)**
- c) Discuss **five** distinct features of money market. **(5 marks)**
- d) Discuss three steps taken by the Kenyan government to promote firms to list at NSE. **(10 marks)**

Question two

As a Finance manager in one of the Kenyan Financial institution, explain how you will apply yield curve to ascertain interest rate to charge your clients.

(15 marks)

Question three

- a) Discuss **four** causes for money markets in Kenya to lag behind in development. **(8 marks)**
- b) Explain factors of an efficient market. **(4 marks)**
- c) Elaborate on the three forms of efficient market. **(3marks)**

Question four

- a) Elaborate the **four** critical roles that the Capital Market Authority play in the Kenyan Capital Market. **(8 marks)**
- B) Discuss the role played by the Central Bank of Kenya in the Kenyan economy. **(7 marks)**

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