



# **MAASAI MARA UNIVERSITY**

**REGULAR UNIVERSITY EXAMINATIONS**

**2022/2023 ACADEMIC YEAR**

**FOURTH YEAR SECOND SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS**

**BACHELOR OF SCIENCE IN FINANCIAL  
ECONOMICS**

**COURSE CODE: ECF 4203**

**COURSE TITLE: MANAGEMENT OF FINANCIAL  
INSTITUTIONS**

**DATE: 20/4/2023**

**TIME: 1100-1300 HRS**

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**INSTRUCTIONS TO CANDIDATES**

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

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

### **Question One**

- a. Explain SIX functions of financial systems and Markets in Kenya. **(6 Marks)**
- b. Discuss FIVE Instruments traded in capital markets in Kenya. **(5 Marks)**
- c. Describe SIX differences between money markets and capital markets. **(6 Marks)**
- d. Discuss FIVE challenges facing financial intermediation in Kenya. **(5 Marks)**
- e. Define the following terms as used in financial markets.
  - i. Bonus issue **(1 Mark)**
  - ii. Rights issue **(1 Mark)**
  - iii. Initial public offer. **(1 Mark)**

### **Question Two**

- a. Discuss FIVE main characteristics of instruments traded in the money market. **(5 Marks)**
- b. Explain FIVE reasons why money markets are not fully developed in Kenya. **(10 Marks)**

### **Question Three**

- a. Discuss FIVE types of financial intermediaries operating in the Kenya financial Market. **(10 Marks)**
- b. Describe FIVE main objectives of Retirement Benefit Authority (RBA) in Kenya. **(5 Marks)**

### **Question Four**

- a. Highlight FIVE reasons for both local and international financial markets regulations. **(5 Marks)**
- b. With reference to International Organization of Securities Commissions (IOSCO), discuss FIVE main principles relating to the regulator. **(10 Marks)**

### **Question Five**

- a. Discuss FIVE principal objectives of Capital Market Authority of Kenya (CMA). **(10 Marks)**
- b. Explain FIVE functions of Central Bank of Kenya. **(5 Marks)**

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