



# **MAASAI MARA UNIVERSITY**

**REGULAR UNIVERSITY EXAMINATIONS  
2017/2018 ACADEMIC YEAR  
THIRD YEAR SECOND SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS  
BACHELOR OF BUSINESS MANAGEMENT**

**COURSE CODE: BBM 311**

**COURSE TITLE: BANKING THEORY AND PRACTICE**

**DATE: 26<sup>TH</sup> APRIL 2018**

**TIME: 1100-1300HRS**

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**INSTRUCTIONS TO CANDIDATES**

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

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

## **QUESTION ONE**

1a) Discuss the methods adopted by central bank generally to control credit. **(10 MARKS)**

b) Explain how commercial banks undertake the service of transfer of money on behalf of its customers **(10 MARKS)**

c) Explain any FIVE Agency Services rendered by commercial banks to its customers. **(5 MARKS)**

## **QUESTION TWO**

a) What is a smart card? **(3 MARKS)**

b) Explain the FOUR different types of smart cards. **(12 MARKS)**

## **QUESTION THREE**

Discuss any FIVE Methods of granting advances by commercial banks **(15 MARKS)**

## **QUESTION FOUR**

Discuss any FIVE general principle to be borne in mind by a banker while granting advances **(15 MARKS)**

## **QUESTION FIVE**

a) State any FIVE circumstances that qualifies a banker to disclose the customer's account information to third parties. **(5 MARKS)**

b) Describe the FIVE different types of deposit accounts offered by commercial banks in Kenya **(10 MARKS)**

**END//**