

THE CO-OPERATIVE UNIVERSITY OF KENYA

END OF SEMISTER EXAMINATION-AUGUST 2019

EXAMINATION FOR DIPLOMA IN CREDIT MANAGEMENT AND

DIPLOMA IN BANKING AND FINANCE

UNIT CODE: CMCM 1202

UNIT TITLE: BANKING LAW

INTRUCTIONS:

- Answer question **One (compulsory)** and any other **Two** questions

QUESTION ONE(COMPULSORY)

Citing case laws, discuss banker/customer relationship (30 Marks)

QUESTION TWO

- a) Discuss in details seven roles of the central bank of Kenya. (14marks)
- b) What is the meaning of 'banking business' (6 marks)

QUESTION THREE

Citing relevant statutory provisions, discuss licensing of banking institutions in Kenya.
(20Marks)

QUESTION FOUR

Outline the various requirements for opening and operating a bank in Kenya (20 Marks)

QUESTION FIVE

Identify and explain the types of securities that a bank in Kenya is allowed to accept in Kenya.
(20 Marks)

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**SUPPLEMENTARY/SPECIAL EXAMINATION FOR DIPLOMA IN CREDIT
MANAGEMENT AND DIPLOMA IN BANKING AND FINANCE**

UNIT CODE: CMCM 1202

UNIT TITLE: BANKING LAW

INTRUCTIONS:

- Answer question **One (compulsory)** and any other **Two** questions

QUESTION ONE

Carefully outline the measures put in place to licence and regulate banking institutions
(30Marks)

QUESTION TWO

7. What is money laundering. (2Marks)

8. How is money laundered. (4marks)

8. Discuss the measures that can be put in place to curb money laundering. (14Marks)

QUESTION THREE

- a) Define and explain what 'a bank' means. (5 Marks)
- b) With the help of decided cases explain who is 'a customer' in banking law and practice. (15 Marks)

QUESTION FOUR

- a) Explain the objective of bank regulation in Kenya (10 Marks)
- c) Explain the licensing and supervisory role of the central bank of kenya(10marks)

QUESTION FIVE

Discuss briefly the laws that regulate banking in Kenya and how they do so.(10 Marks)

Discuss accounts and audits as stipulated under the banking act of kenya.(10marks)