



# The Co-operative University of Kenya

**SUPPLEMENTARY / SPECIAL EXAMINATION AUGUST -2019**

**EXAMINATION FOR THE CERTIFICATE IN CO-OPERATIVE  
MANAGEMENT**

**UNIT CODE: UNIT CODE: CCM 1112**

**UNIT TITLE: CO-OPERATIVE BANKING**

**DATE: 26<sup>TH</sup> AUGUST, 2019**

**TIME: 2:30 PM – 4:30 PM**

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## **INSTRUCTIONS:**

- Answer question **ONE (compulsory)** and any other **TWO** questions

## **QUESTION ONE**

- a) Define the Cooperative Banking. (2 Marks)
- b) Outline the historical reasons that led to establishment of cooperative savings scheme. (8 Marks)
- c) The following information was extracted from the transactions of Mr. Maina member number 2114 of Maziwa Union Banking Section (C/S No. 103) in relation to Milk Activity No. 03) as at 30<sup>th</sup> may, 2018

1/04/2014 Opening savings balance Ksh.8,000

3/01/2018 Net payment Journal Ksh.3,000

15/01/2018 Cash Deposit Ksh.10,000

12,01/2018 Debtors Members Journal ksh 3,500

5/02/2018 Net Payment Journal Kshs.5,000

19/02/2018 Cash Withdrawal Ksh.9,000

2/03/2018 Cash Withdrawal Ksh.2,000

7/03/2018 Debtors Members Journal Ksh.5,000

22/04/2018 Cash deposit voucher Ksh.6,000

31/04/2018 Net payment Journal Kshs.7,500

**Required:** Post the above transactions into the Members Personal Account using the form provided. (20 Marks)

## **QUESTION TWO**

- a) Describe any FIVE conditions for a Co-operative society to participate in a co-operative saving schemes. (10 Marks)
- b) List and explain THREE types of loans co-operative banking. (10 Marks)

## **QUESTION THREE**

- a) Explain any five physical security arrangements, that a society should be put in place beginning operation of FOSA. (10 Marks)

- b) Discuss any five conditions an individual should meet for him/her to participate in a cooperative saving scheme. (10 Marks)

**QUESTION FOUR**

- a) List and explain any FIVE services offered by a cooperative banking section. (10 Marks)
- b) Cooperative Banking Institutions offer services with unique features as compared to commercial banks, Explain FIVE such features. (10 Marks)

**QUESTION FIVE**

- a) Explain different ways of loans repayment methods in cooperative banking. (10 Marks)
- b) Briefly discuss FIVE the reasons for loan defaulting in Savings and Credit Cooperatives and how to curb/reduce them. (10 Marks)