

The Co-operative University of Kenya
END OF SEMESTER EXAMINATION AUGUST-2018
EXAMINATION FOR THE DIPLOMA IN BANKING AND FINANCE
(YR II SEM I)
UNIT CODE: DMCM 1201
UNIT TITLE: BANKING LAW AND PRACTICE

DATE: 24TH AUGUST, 2018

TIME: 9:00 AM – 11:00 AM

INSTRUCTIONS:

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

QUESTION ONE

- (a) Discuss FIVE roles of Banking Laws and regulations (10 marks)
- (b) Outline FOUR types of security for acquiring a credit from a bank (4 marks)
- (c) What is the monetary policy advisory committee and what is its function (4 marks)
- (d) Discuss THREE duties of a bank to its customers (6 marks)
- (e) Explain THREE types of regulatory models (6 marks)

QUESTION TWO

- (a) Discuss FIVE objectives of the Central Bank of Kenya (10 marks)
- (b) Explain the Procedure for acquiring of banking license in Kenya (10 marks)

QUESTION THREE

- (a) Outline FIVE requirements for compliance with KYC principle in Kenya (10 marks)
- (b) List and explain at least FIVE roles of Banks in the economy (10 marks)

QUESTION FOUR

- (a) List FIVE grounds of revoking of Banking license (10 marks)
- (b) Outline the composition of the monetary policy committee (10 marks)

QUESTION FIVE

- (a) List and explain the FIVE Cs of credit (10 marks)
- (b) Who appoints a bank auditor? List THREE functions of an auditor (10 marks)