

# The Co-operative University of Kenya

**END OF SEMESTER EXAMINATION AUGUST-2018**

**EXAMINATION FOR THE DIPLOMA IN CO-OPERATIVE MANAGEMENT**  
**(YR I SEM II / YR II SEM II / I)**

**UNIT CODE: COCM 1112**

**UNIT TITLE: CO-OPERATIVE BANKING**

**DATE: 22<sup>ND</sup> AUGUST, 2018**

**TIME: 2:00 PM – 4:00 PM**

## **INSTRUCTIONS:**

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

## **QUESTION ONE**

- (a) List and explain any **FIVE** services offered by a cooperative banking section (10 marks)
- (b) The following information was extracted from the transactions of Mr. Nyongesa member number 2114 of Mavuno SACCO (C/S no. 103) in relation to Mandizi Activity (Activity no 03) as at 30<sup>th</sup> May 2018

		Kshs
1/04/2014	Opening savings balance	8,000
3/01/2018	Net payment Journal Kshs	30,000
15/01/2018	Cash Deposit	10,000
12/01/2018	Debtors members journal	35,000
5/05/2018	Network payment journal	65,000
19/02/2018	Cash withdrawal	9000
2/03/2018	Cash withdrawal	22,000
7/03/2018	Cash members journal	50,000
22/04/2018	Cash deposit voucher	11,000
31/04/2018	Net payment journal	25,000

Required: Post the above transactions into the members personal account using the form provided (20 marks)

## **QUESTION TWO**

- (a) Outline the historical reasons that lead to establishment of cooperative savings scheme (8 marks)
- (b) Describe any **SIX** condition for co-operative society to participate in a co-operative saving schemes (6 marks)
- (c) List and explain **THREE** types of loans co-operative banking (6 marks)

## **QUESTION THREE**

- (a) Explain any **FIVE** physical arrangement, that a society should put in place when beginning operation of FOSA (10 marks)
- (b) Discuss any **FIVE** conditions an individual should meet to participate in a cooperative saving scheme (10 marks)

**QUESTION FOUR**

- (a) Distinguish between centralized and decentralized cooperative banking system(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 how cooperative principles can be applied in running Cooperative Banking Institutions in Kenya (10 marks)
- (b) Briefly discuss FIVE reasons for loan defaulting in co-operative saving schemes (10 marks)