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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2023/2024 ACADEMIC YEAR**  
**FOR THE CERTIFICATE IN BANKING AND FINANCE**  
**CBF 201: ELEMENTS OF BANKING**

Date: 6<sup>TH</sup> DECEMBER 2023

Time: 2:30PM-4:30PM

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30 MARKS)**

- Explain three roles of the central bank in a country's economic development. (6 Marks)
- Explain three characteristics of money. (6 Marks)
- Explain any three benefits of E-banking. (6 Marks)
- Describe any three determinants of money supply. (6 Marks)
- Explain any three objectives of the World bank. (6 Marks)

**QUESTION TWO (20 MARKS)**

- Explain four roles of commercial banks in a country's economic development. (8 Marks)
- Describe any four rights of a banker. (8 Marks)
- Briefly describe financial intermediaries. (4 Marks)

**QUESTION THREE (20 MARKS)**

- Explain the difference between commodity money and fiat money. (6 Marks)
- Explain THREE types of negotiable instruments. (6 Marks)
- Discuss in details any four instruments of controlling money supply in an economy. (8 Marks)

**QUESTION FOUR (20 MARKS)**

- Describe three types of banks in Kenya today. (6 Marks)
- Describe any four drawbacks of the barter system of trade. (8 Marks)
- Explain THREE types of non-bank financial intermediaries. (8 Marks)

**QUESTION FIVE (20 MARKS)**

- Explain THREE types of accounts you can open in a commercial bank. (6 Marks)
- Describe three rights of a customer in the bank customer relationship. (6 Marks)
- Describe any four reasons that would make a bank dishonor payment of a cheque. (8 Marks)