

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT: ECONOMICS

Nov 2024

PROGRAMME: MASTER OF SCIENCE DEGREE IN ECONOMICS

COURSE CODE MEC 537: ADVANCED STRATEGIC BANKING

DURATION: 3 HOURS

TOTAL MARKS: 100

INSTRUCTIONS TO CANDIDATES

1. This paper carries six questions
 2. Answer any four (4) questions.
 3. All questions carry 25 marks.
 4. Cellphones are not allowed in the examination room.
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QUESTION ONE

- a). Explain the role of Fintech in the current financial landscape. [12 Marks]
- b) Identify and explain digital transformation strategies that Zimbabwean commercial banks could adopt. [13 Marks]

QUESTION TWO

- a) Why do banks expand their operations internationally? [13 Marks]
- b) Discuss the various methods that banks use to enter foreign markets. [12 Marks]

QUESTION THREE

With the aid of relevant examples in banking, explain the following approaches to manage and modify risk:

- a) Prevention and Avoidance [7 Marks]
- b) Acceptance [6 Marks]

- c) Transferring
- d) Shifting

[6 Marks]
[6 Marks]

QUESTION FOUR

- a) Explain the sources of credit risk in corporate borrowers [12 Marks]
- b) Identify and elaborate on the key elements of a bank's credit policy. [13 Marks]

QUESTION FIVE

Discuss the following liquidity management theories:

- a) Commercial Loan Theory [6 Marks]
- b) Shiftability Theory [6 Marks]
- d) Anticipated Income Theory [6 Marks]
- d) Liability Management Theory [7 Marks]

QUESTION SIX

- a) Provide relevant examples to differentiate between the following:
 - i. systematic and unsystematic risk. [7 Marks]
 - ii. warranted and unwarranted risk. [5 Marks]
- b) Discuss the role of the Reserve Bank of Zimbabwe in promoting financial stability. [13 Marks]

END OF PAPER