

**BINDURA UNIVERSITY OF SCIENCE EDUCATION**  
**FACULTY OF COMMERCE**  
**DEPARTMENT OF BANKING AND FINANCE**  
**INTRODUCTION TO FINANCIAL MARKETS AND INSTITUTIONS (BS449)**  
**3 HOURS**

**INSTRUCTIONS TO CANDIDATES**

1. Answer any four questions.
2. All questions carry equal marks.

APR 2025

**QUESTION ONE**

Discuss problems that are faced by SMEs in raising finance for their operations

[25 Marks]

**QUESTION TWO**

Write short notes on the following:

- |   |     |
|---|-----|
| a) Monetary policy                                | (6) |
| b) Currency devaluation and currency depreciation | (6) |
| c) Forwards and Futures                           | (6) |
| d) Translation risk                               | (7) |

[25 Marks]

**QUESTION THREE**

'A well-developed money market is a necessary pre-condition for the effective implementation of monetary policy' Explain any five (5) factors which hinder the effectiveness of the monetary policy in Zimbabwe.

[25 Marks]

**QUESTION FOUR**

Examine the functions of the Central bank in its role as a financial intermediary

[25 Marks]

**QUESTION FIVE**

Giving examples, critically review the flaws in the licensing and regulation of financial services and markets in Zimbabwe which have resulted in the collapse of several financial institutions over the past three decades.

[25 Marks]

**QUESTION SIX**

- a. Explain the implications of a deficit balance of payments on a country's currency (10)
- b. Discuss the role played by underwriter in Initial Public Offerings (15)

[25 Marks]