

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT: ECONOMICS

PROGRAMME: MASTER OF SCIENCE DEGREE IN ECONOMICS

COURSE CODE MEC 537: ADVANCED STRATEGIC BANKING

DURATION: 3 HOURS

TOTAL MARKS: 100

INSTRUCTIONS TO CANDIDATES

JUN 2025

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) Discuss the role of the Reserve Bank of Zimbabwe in promoting financial stability.
[12 Marks]
- b) Why do banks expand their operations internationally?
[13 Marks]

QUESTION TWO

- a) Identify and elaborate on the key elements of a robust risk management framework within a commercial bank.
[13 Marks]
- b) Describe the strategies a commercial bank can employ to mitigate liquidity risk. [12 Marks]

QUESTION THREE

- 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 FOUR

Discuss potential sources of funding available to a commercial bank.
[25 Marks]

QUESTION FIVE

You have been recently employed by a leading bank in Zimbabwe as a Strategy Advisor. Your role involves researching the competitive dynamics of the industry and advising the company on the nature of competition and whether expansion is a viable option or not. Using Porter's 5 forces framework, evaluate the use of the model as a method of assessing the intensity of competition, giving examples to support your answer.
[25 Marks]

QUESTION SIX

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

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|-----------------------------|-----------|
| a. Prevention and Avoidance | [7 Marks] |
| b. Acceptance | [6 Marks] |
| c. Transferring | [6 Marks] |
| d. Shifting | [6 Marks] |

END OF PAPER