

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.
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JUN 2024

QUESTION ONE

- a. Discuss any five monetary policy tools that the Reserve Bank of Zimbabwe has used in the past to mop up excess money in the economy (15)
- b. Explain any five (5) factors which hinder the effectiveness of the monetary policy in the Zimbabwe economy (10)

[25 Marks]

QUESTION TWO

Write short notes on the following risks that a company involved in international trade may be exposed to and suggest mitigation strategies for each risk.

- a) Transaction Risk (8)
- b) Translation Risk (8)
- c) Economic Risk (9)

[25 Marks]

QUESTION THREE

Identify and explain key ways in which financial institutions can facilitate international trade

[25 Marks]

QUESTION FOUR

- a. State and explain any five (5) issues that have contributed to the under-development of the Zimbabwean derivatives market (15)
- b. Examine any five differences between the capital market and the money market (10)

[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

Explain how a Zimbabwean manufacturing firm that imports raw materials can hedge against the various risks that they are exposed to.

[25 Marks]