

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

OCT 2024

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.

QUESTION ONE

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 TWO

a) Provide relevant examples to differentiate between the following:

- i. systematic and unsystematic risk.
- ii. warranted and unwarranted risk.

[7 Marks]
[5

Marks]

b) Discuss the interplay between financial or non-financial risks of your choice. **[13 Marks]**

QUESTION THREE

a) Identify and explain any five money laundering typologies.
[12 Marks]

b) What strategies can bank implement to prevent money laundering in Zimbabwe? [13 Marks]

QUESTION FOUR

a) Why is bank liquidity risk management important?
[12 Marks]

b) State and explain strategies to manage bank liquidity risk.
[13 Marks]

QUESTION FIVE

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 SIX

Write short notes on the following analytical methods used in strategic analysis:

- | | |
|--------------------------|-----------|
| a) Value chain analysis. | [5 Marks] |
| b) SWOT analysis. | [5 Marks] |
| c) Early warning system. | [5 Marks] |
| d) War gaming. | [5 Marks] |

END OF PAPER