



Riara School of Business
Nurturing business innovators

SEPTEMBER – DECEMBER TRIMESTER, 2015
EXAMINATIONS FOR BACHELOR OF BUSINESS ADMINISTRATION
EVENING PROGRAMME

BFN 404: GLOBAL FINANCE

DATE: DECEMBER 2015

TIME: 2 HOURS

INSTRUCTIONS

- i) Answer question one and any other two**
 - ii) Marks allocated to each question are shown at the end of the question**
 - iii) Arrange your work neatly and indicate the questions answered in the Examination booklet**
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QUESTION ONE (COMPULSORY 30 MARKS)

- a) Highlight the role finance plays in economic development (6 marks)**
- b) Clearly define the term financialization (2 marks)**
- c) What are some of the pitfalls of financialization (10 marks)**
- d) What measures can a country undertake to avoid the pitfalls of financialization (12marks)**

QUESTION TWO

Highlight the roles IMF and World Bank play in an economy

(20 Marks)

QUESTION THREE

Explain how the concept of adverse selection and moral hazard is seen in the financial market and ways to ensure they don't stifle growth of the sector

(20 marks)

QUESTION FOUR

- a) List four financial crisis that have occurred over the last century (4 marks)
- b) List and explain four causes of the global financial recession (8 marks)
- c) Explain four measures that were taken by governments during the global financial crisis (8 marks)

(20 marks)