



Riara School of Business
Nurturing business innovators

SEPTEMBER – DECEMBER 2019 TRIMESTER EXAMINATIONS
DAY PROGRAMME
EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION (FINANCE)
RFN 403: FINANCIAL SERVICES REGULATION AND FINANCIAL CRISES

DATE: 11TH DECEMBER 2019

TIME: 2 HOURS

GENERAL INSTRUCTIONS:

Students are NOT permitted to write on the examination paper during reading time.

This is a closed book examination. Text book/Reference books/notes are not permitted.

SPECIAL INSTRUCTIONS:

1. Write your REGISTRATION NO. Clearly on the answer booklet(s).
2. Answer Question One and ANY other TWO questions.
3. Questions in all sections should be answered in answer booklet(s).
4. Marks allocated to each question are shown at the end of the question.
5. PLEASE start the answer to EACH question on a NEW PAGE.
6. For the questions, write the number of the question on the answer booklet(s) in the order you answered them.
7. Write your answers in paragraph form unless stated otherwise.
8. Keep your phone(s) SWITCHED OFF at the front of the examination room.
9. Keep ALL bags and caps at the front of the examination room and do not refer to any unauthorized material before or during the course of the examination.
10. You are only allowed to leave the examination room 30minutes to the end of the Examination.

QUESTION ONE: COMPULSORY (30 MARKS)

- a) Discuss **five** main rationales advanced for the regulation of financial services. **(15 Marks)**
- b) Explain **five** objectives of the Capital Markets Authority. **(5 Marks)**
- c) Evaluate **five** main causes of the 2007-8 global financial crisis. **(10 Marks)**

QUESTION TWO (20 MARKS)

- a) Explain **five** regulatory powers of the Central Bank as provided for in the applicable laws. **(10 Marks)**
- b) Compare and contrast rules based and principles based models of financial services regulation and bring out their respective merits and demerits. **(10 Marks)**

QUESTION THREE (20 MARKS)

- a) Explain **five** benefits of good corporate governance to a financial services firm? **(10 Marks)**
- b) Discuss **five** conditions necessary for an offer of securities to be deemed to be a private offers as per the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 **(10 marks)**

QUESTION FOUR (20 MARKS)

- a) Outline **five** benefits of increasing the minimum capital requirements for banks. **(10 marks)**
- b) Examine **five** bank capital requirements as per the Banking Act Cap 488. **(10 Marks)**