



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS & ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH IT
2ND YEAR 1ST SEMESTER 2016/2017 ACADEMIC YEAR
NAIROBI CITY CAMPUS

COURSE CODE: ABA 202

COURSE TITLE: INTRODUCTION TO FINANCE

EXAM VENUE:

DATE:

EXAM SESSION:

TIME: 3 HOURS

Instructions:

1. Answer all questions in section A and any other two from section B
2. Candidates are advised not to write on the question paper
3. Candidates must hand in their answer booklets to the invigilator while in the examination room

QUESTION ONE

- a) Explain the objectives of financial management. (8 marks)
- b) Outline the roles of a Financial Manager in: (6 marks)
 - (i) The banking sector
 - (ii) A manufacturing company.
- c) What is finance? (3 marks)
- d) What are the aims of the finance functions (8 marks)

QUESTION TWO

- a) List and explain five short-term sources of funds for a firm. (10 marks)
- b) Discuss the different methods a firm can raise funds from the capital market. (10 marks)

QUESTION THREE

- a) Discuss the three types of leasing and show how each should be differentiated from the other. (10 marks)
- b) How do you differentiate between 'sources of funds' and 'application of funds'? (10 marks)

QUESTION FOUR

- a) Monitoring and evaluating financial performance is critical to the life of a firm. Discuss. (10 marks)
- b) Assess the challenges of financial resources management in Kenyan firms. In what ways can these challenges be surmounted? (10 marks)

QUESTION FIVE

- a) Distinguish between working capital and working capital management. (12 marks)
- b) Explain four factors that determine working capital requirement (8 marks)