



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF BUSINESS & ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH IT
4TH YEAR 1ST. SEMESTER 2018/2019 ACADEMIC YEAR
KISII CAMPUS-PART TIME

COURSE CODE: ABA 328

COURSE TITLE: BANKING LAW AND PRACTICE.

EXAM VENUE:

STREAM: (BBA) YEAR 3 SEM 2.

DATE:

EXAM SESSION: –December 2018

TIME: 2 HOURS

Instructions:

- 1. Answer Question ONE (COMPULSORY) and ANY other 2 questions**
- 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) Outline the role of banking in economic development of a nation. **(6 Marks)**
- b) Discuss the mechanisms through which the central bank of Kenya's mandate of fostering the liquidity, solvency and proper functioning of a market based financial system is achieved. **(6 Marks)**
- c) Explain the characteristics of the banker- customer relationship. **(6 marks)**
- d) What four instances can a bank disclose the client's details without his express consent. **(4marks)**
- e) Explain the essential characteristics of negotiable instruments. **(4Marks)**
- f) In relation to banking transactions, explain :
 - i. The rights of the customer. **(2 Marks)**
 - ii. Rights of the bank. **(2 Marks)**
 - iii. Bill of exchange. **(2 Marks)**

QUESTION TWO

What is your understanding of the following?

- i. Duties of the customer
- ii. Duties of the bank
- iii. Bank mandates
- iv. Powers of attorney **(20 Marks)**

QUESTION THREE.

- a) Discuss the history and evolution of banking sector in Kenya. **(16 Marks)**
- b) Who is a banker according to Dr.Hart? **(4 marks)**

QUESTION FOUR:

- a) Discuss the functions of central bank. **(10 Marks)**
- b) Explain the agencies involved in the supervision of the banking industry. **(10 Marks)**

QUESTION FIVE:

- a) Discuss the circumstances under which a banker is under statutory obligation to disclose the customer account with him. **(10 Marks)**
- b) Outline the roles of banks in foreign exchange transactions. **(10 Marks)**