



JARAMOGI OGINGA ODINGA UNIVERSITY
OF SCIENCE AND TECHNOLOGY SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
WITH IT (SUPPLY CHAIN OPTION)

FOURTH YEAR 1ST SEMESTER 2016/2017 ACADEMIC YEAR

NAMBALE CAMPUS

COURSE CODE: ABA 406

COURSE TITLE: MANAGEMENT OF FINANCIAL SERVICES

Instructions

1. Answer Question One (compulsory) and ANY other 2 questions
2. Candidates are advised note 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) List and explain 5 function and characteristics of Financial Services (10marks)
- b) Discuss the various services provided by a Merchant Banker, in your view, (10marks)
- c) A business combination is a transaction in which the acquirer obtains control of another business. Elaborate on the following types of business combinations with their advantage:
 - i. Horizontal Combination
 - ii. Vertical Combination
 - iii. Diagonal Combination
 - iv. Lateral Combination
 - v. Circular Combination (10marks)

Question TWO

Compare and Contrast 'Leasing' and 'Hire Purchasing'. Why do companies go for leasing of assets? Briefly explain. (20 marks)

Question THREE

- a) State and elaborate ANY 5 advantages of mergers and acquisitions (10marks)
- b) Define Leverage Buyout and state some of its characteristics (10marks)

Question FOUR

- a) Explain the different stages in which a venture capital firm finances the requirements of the companies which approach it for financing. (10marks)
- b) What are the practical difficulties of a small scale enterprise wishing to obtain credit to expand production? (10 marks)

Question FIVE

- a) Identify and discuss the various factors that are behind the failures of mergers. (10 marks)
- b) Distinguish between internal and external sources of finance for a limited liability company. (10 marks)