



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND
TECHNOLOGY

UNIVERSITY EXAMINATION FOR BACHELOR OF BUSINESS
ADMINISTRATION (BBA-With IT)

ABA 406: MANAGEMENT OF FINANCIAL SERVICES

DURATION: 2 HOURS

MAIN CAMPUS

INSTRUCTIONS

1. Answer Question ONE and any other TWO Questions in this paper.
2. DO NOT write on the QUESTION paper, all writings should be done on the Examination Answer Booklet
3. Observe University Examination Rules and Regulations

QUESTION ONE (30 MARKS)

- i) Discuss the significant factors that have influenced growth of financial service sector in Kenya (10 Marks).
- ii) Briefly explain the role played by the major constituents of the financial service sector (5marks)
- iii) Briefly discuss the classification of financial services industry (5 Marks).
- iv) Discuss the main causes of financial innovations in the financial services sector (10 marks)

QUESTION TWO (20 MARKS)

- a) Explain the concept financial Engineering (5 Marks)
- b) With suitable examples discuss the following financial products and services:
 - i) Loan Syndication (5marks)
 - ii) Merchant Banking (5marks)
 - iii) Custodial Services (5marks)

QUESTION THREE (20 MARKS)

Discuss the following innovative financial instruments used by the financial service companies:

- a) Commercial Paper (5marks)
- b) Certificate of deposit (5marks)
- c) Index-Linked Gilt Bonds (5marks)
- d) Zero Interest Convertible Debenture (5marks)

QUESTION FOUR (20 MARKS)

- i) Explain the challenges facing the financial services sector (10marks)
- ii) Critically analyse the future position of financial services sector (10 Marks)

QUESTION FIVE (20 MARKS)

- a) Discuss the concept Credit Rating and highlight its objectives in the financial service sector (10 Marks)
- b) Explain the key features of Venture Capital as a form of financing (10 Marks)