



“Investing in Africa’s future”

COLLEGE OF BUSINESS PEACE LEADERSHIP GOVERNANCE (CBPLG)

NMEC205: MONEY AND BANKING

SUPPLEMENTARY EXAMINATIONS

JANUARY 2020

LECTURER: MR. GABRIEL MUZAH

DURATION: 3 HRS

INSTRUCTIONS

The Paper contains two sections. (Section A and Section B)

Answer **all** questions in these sections

DO NOT repeat material.

Write legibly. Write your answer clearly. Use numbered headings or subheadings to show which part of your answer refers to which question. Example: Question 2 (a)

Question One

Can you discuss how money has evolved through examining primitive systems?

[Total 25 Marks]

Question Two

- a) With the aid of a diagram showing the flow of funds through the financial system can you compare and contrast direct and indirect finance? **[10 Marks]**
- b) Discuss in detail how financial intermediaries deal with the information asymmetry problem? **[10 Marks]**
- c) How does regulation increase information to investors? **[5 Marks]**

[Total 25 Marks]

Question 3

The mid-term Zimbabwe Monetary Policy Statement presented on 13 September 2019 came at a time when the country is implementing a number of policy reforms to strengthening fiscal sustainability, reducing inflation and promoting a flexible exchange system and laid the foundation for sustainable private sector-led economic transformation. Can you discuss the proposed policy tools that will be used to guide the Bank's monetary policy operations?

[25 Marks]

Question Four

- a) What is a cryptocurrency and how did it emerge as a side product of digital cash? **[5 Marks]**
- b) With reference to a specific cryptocurrency can you discuss its revolutionary transactional and monetary properties? **[20 Marks]**

[Total 25 Marks]

END OF EXAM