

File



OFFICE OF THE DEPUTY PRINCIPAL

ACADEMICS, RESEARCH AND STUDENTS' AFFAIRS

UNIVERSITY EXAMINATIONS

2018 /2019 ACADEMIC YEAR

SECOND YEAR SECOND SEMESTER REGULAR EXAMINATION

FOR THE DEGREE OF BACHELOR OF ARTS IN ECONOMICS

COURSE CODE: ECO 226

COURSE TITLE: MONEY AND BANKING

DATE:

TIME: 3 HOURS

INSTRUCTION TO CANDIDATES

- SEE INSIDE

THIS PAPER CONSISTS OF 3 PRINTED PAGES

PLEASE TURN OVER

INSTRUCTIONS TO CANDIDATES

- Answer Question ONE and any other TWO questions
- Question ONE carries 30 marks
- Time allowed: 3 hours

QUESTION ONE

- Discuss the main functions of money in an economy (10 marks)
- Discuss the determinants of money supply in the economy (10 marks)
- Distinguish between commodity money and representative money (5 marks)
- Explain the various qualities of money (5 marks)

QUESTION TWO

- Discuss the role of the central bank in the economy (10 marks)
- Discuss the various motives of holding money as stipulated by keyne (10 marks)

QUESTION THREE

Discuss the following classifications of money stating clearly there advantages and disadvantages

- Token money (7marks)
- Standard money (7 marks)
- Representative money (6 marks)

QUESTION FOUR

Explain the functions of commercial banks in the economy (15 marks)

Discuss the essence of a sound system of commercial banking in a developing economy (5 marks)

QUESTION FIVE

- Explain the following types of deposit accounts
 - Current account (3 marks)
 - Fixed account (3 marks)
 - Savings account (4 marks)
- Discuss the concept of credit creation by commercial banks (10 marks)

QUESTION SIX

Discuss the classical quantity theory of money

(10 marks)

Discuss on the various sources of banking funds

(10 marks)