



**FACULTY OF BUSINESS MANAGEMENT
END OF SEMESTER EXAMINATIONS - APRIL 2025**

PROGRAMME: BBA

YEAR/SEM: YEAR 3/SEMESTER 2

COURSE CODE: FIN 3205

NAME: FINANCIAL INSTITUTION

DATE: 2025-04-14

TIME: 9:00AM-12:00PM

INSTRUCTIONS TO CANDIDATES:

1. Read the instructions very carefully
2. The time allowed for this examination is STRICTLY three hours
3. Read each question carefully before you attempt and allocate your time equally between all the Sections
4. Write clearly and legibly. Illegible handwriting cannot be marked
5. Number the questions you have attempted
6. Use of appropriate workplace examples to illustrate your answers will earn you bonus marks
7. Any examination malpractice detected will lead to automatic disqualification.

DO NOT WRITE ANYTHING ON THE QUESTION PAPER

Section A ANSWER ONE QUESTION

Question 1:

Case Studies: Financial Markets

At a time of fierce competition, banks are eager to improve customer satisfaction and loyalty. A great place to start is with the processes that drive customer experiences. Think about the ways documents and data flow through your organisation, and how they touch customers.

We can help you reduce spending on document management to free up budget for other priorities. By making data in documents more accessible and searchable, as well as integrating paper and digital workflows and automating processes, you'll ultimately improve customer experiences. When you use this data to customise and personalise communications, you take the customer experience to a new level.

We've pulled together some examples of how we've helped our customers in the banking and finance business. These include:

- Delivering consistent and brand-compliant printed documents, and enabling personalisation, by managing all digital printing services.
- Making responses to customers quicker and more accurate by digitising all inbound mail, and creating a flexible electronic workflow.
- Saving significant costs and supporting environmental protection goals by dramatically reducing the number of printers.
- Speeding up deployment of in-branch marketing by implementing digital signage

You'll probably recognise some of the challenges faced by these organisations.

Required.

1. Explain five types of financial intermediaries (10 mks)
2. Name and explain some of the financial risks that you are likely to encounter in any financial institutions and markets .(10 mks)
3. Explain the types of hedging and its advantages (10 mks)
4. Discuss various types of derivatives (10 mks)

Section B ANSWER ANY THREE QUESTIONS

Question 1:

- a) With examples, explain different Types of Venture Capital funding (10 mks)
- b) What are some of the five functions of investment bankers? (5 mks)
- c) Give two types of underwriters (5 mks)

Question 2:

- a) The selective instruments of credit control are more effective than general instruments in an underdeveloped economy. Discuss. (10 mks)
- b) State and explain the various quantitative and qualitative methods of credit control generally adopted by central banks. (10 mks)

Question 3:

Briefly explain the following:

- i. Demand and time deposits (5 mks)
- ii. Give an account of the new trends in modern commercial banking.(5 mks)
- iii. Qualitative and quantitative credit control. (5 mks)

Describe the impact of credit crisis in financial institutions. (5 mks)

Question 4:

- a) Explain various participants of the organized sector of the money market. (10 mks)
- b) What are the benefits witnessed by financial stakeholders within the money markets (10 mks)

Question 5:

- a) Explain five factors that normally affect the interest rates: (10 mks)
- b) Differentiate between depreciation and devaluation of a country currency(10 mks)

Question 6:

With diagram, illustrate the structure of the financial institution in Uganda bringing out their individual basic services each provides. (20 mks)