



GARISSA UNIVERSITY

**UNIVERSITY EXAMINATION 2017/2018 ACADEMIC YEAR THREE
SECOND SEMESTER EXAMINATION**

SUPPLEMENTARY/SPECIAL EXAMINATION

SCHOOL OF BUSINESS AND ECONOMICS

FOR THE DEGREE OF BACHELOR OF BUSINESS MANAGEMENT

COURSE CODE: BBM 313

COURSE TITLE: LAW OF FINANCIAL MARKETS

EXAMINATION DURATION: 3 HOURS

DATE: 22/03/18

TIME: 2.00-5.00 PM

INSTRUCTION TO CANDIDATES

- **The examination has FIVE (5) questions**
- **Question ONE (1) is COMPULSORY**
- **Choose any other THREE (3) questions from the remaining FOUR (4) questions**
- **Use sketch diagrams to illustrate your answer whenever necessary**
- **Do not carry mobile phones or any other written materials in examination room**
- **Do not write on this paper**

This paper consists of TWO (2) printed pages

please turn over



QUESTION ONE (COMPULSORY)

- (a) Explain the relationship between Legal systems and economic growth **[8 marks]**
- (b) List 5 characteristics of equity financing **[5 marks]**
- (c) Discuss 5 Duties of a central depository **[5 marks]**
- (d) Explain the need for financial markets regulations. **[5 marks]**
- (e) Explain the functions of IRA **[5 marks]**
- (f) What is money laundering? Give example. **[2 marks]**

QUESTION TWO

- (a) Explain the relationship between the Legal systems and competitiveness of financial centers in Kenya **[10 marks]**
- (b) Explain the types of winding up of organization and laws relating to this **[10 marks]**

QUESTION THREE

- (a) Discuss the nature of the legal relationship(s) between banks and their customers. **[10 marks]**
- (b) Explain the benefits of electronic Dealing of Central depository system. **[10 marks]**

QUESTION FOUR

- (a) What Lessons can Kenya learn from the recent market turmoil **[5 marks]**
- (b) Explain the disadvantages of electronic settlement **[5 marks]**
- (c) Explain any 5 principal sources of company finances **[5 marks]**
- (d) Explain Functions and significance of capital markets **[5 marks]**

QUESTION FIVE

- (a) Discuss in details the Public Interest theory of regulation as applied the law of financial markets in the Kenyan setting. **[10 marks]**
- (b) Explain the effect of financial globalization and innovation of the financial markets performance in Kenya. **[10 marks]**

