



SOUTH EASTERN KENYA UNIVERSITY

UNIVERSITY EXAMINATIONS 2017/2018

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE IN DRYLAND AGRICULTURE

AME 208: MONEY AND BANKING

DATE: 05TH DECEMBER, 2017

TIME: 1.30 -3.30 PM

Instructions

- 1. Answer all questions in sections A**
- 2. Answer any TWO questions in section B**

SECTION A (30 MARKS) Answer ALL questions from this section

1. Briefly describe the stages of evolution of money (10 marks)
2. Explain five qualities of good money (10 marks)
3. Highlight the main objectives of the monetary policy (4 marks)
4. Explain the three motives of holding money (6 marks)

SECTION B (40 MARKS) Answer any TWO questions from this section

5. a) Define the term Money (2 marks)
b) State and explain the tools used in the monetary policy (18 marks)
6. a) Describe the role of banking in economic development (10 marks)
b) Briefly describe the theories of money (10 marks)
7. a) Define the term bank (2 marks)
b) Discuss the functions of a central bank (18 marks)