



MACHAKOS UNIVERSITY

University Examinations for 2016/2017 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

SUPPLEMENTARY/SPECIAL EXAMINATION FOR IN PROCUREMENT AND
SUPPLY CHAIN MANAGEMENT

MONEY AND BANKING

DATE: 28/8/2017

TIME: 2:00 – 4:00 PM

INSTRUCTIONS

Attempt question one and any other two questions

1. a) Define barter trade (4 marks)
- b) Give disadvantages of barter trade (8 marks)
- c) State three parties to a cheque (6 marks)
- d) Give three advantages of bill of exchange (9 marks)
- e) What is IOU? And when is it used? (3 marks)
2. Give a brief account of evolution of banking (20 marks)
3. For money to act as a medium of exchange in any economy it must (20 marks)
 have certain characteristics. Highlight four characteristics of good money (20 marks)
4. State and explain 5 functions of commercial banks (20 marks)
5. List and explain any 5 functions of money (20 marks)