

NAME	INDEX NUMBER
SCHOOL	DATE _____

MONEY AND BANKING

1. 1995 P1
 State how a credit transfer is used as a means of transferring money through the commercial banks
 (3 marks)

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2. 1995 P1
 Highlight four advantages of using a telegraphic money order as a means of remitting money through the post office. (4 marks)

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3. 1995 P2
 Explain five ways in which banks contribute to the development of Kenya (10 marks)

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4. 1996 P1 (4 marks)
State four limitations of barter trade

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5. 1996 P2 (10 marks)
Outline five reasons why banks current account is popular with traders

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6. 1997 P1

In the spaces provided below indicate with a tick whether each of the following statements is true or false about commercial banks (5 marks)

	True	False
- Accept deposits from the members of the public		
- Provides safe custody for the valuables		
- Issues currency for the use in the country		
- Controls money supply in the country		
- Lends more to the public		

7. 1997 P2

Explain service offered to commercial banks by the central bank of Kenya (10 marks)

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8. 1998 P1

List four characteristics of money (4 marks)

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9. 1998 P2

In what ways of the functions of commercial bank differ with those of non- bank financial institutions (10 marks)

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19. 2003 P1
State four banking services that the central bank of Kenya provides to the government
(4 marks)

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20. 2003 P2
Describe four ways in which a non- bank financial institutions differ from the commercial banks (8 marks)

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21. 2003 P2

Discuss five reasons why business people prefer to operate bank current accounts

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22. 2004 P1

Wambua intends to import a car from Dubai which costs Kshs. 20, 0000 Dirams. If 4 Dirams = 1 Us Dollar and Kshs 70 = 1 Dollar, calculate the amount in Kenya shillings that Wambua will pay for the car.

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23. **2004 P1**
Highlight 4 functions of the Central Bank of Kenya

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24. **2004 P2**
Outline the benefits that bank customer gets from operating a current account (10 marks)

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25. **2005 P1**
Given below is the first stage in the historical development of money list the next first stages in their order of occurrence (4 marks)

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29. 2007 Q8 P1

The following are some of the accounts available to customers in the Kenyan banking industry: Current account, savings account and Fixed deposit account. Give the account that corresponds to each of the descriptions given below. (4 marks)

	Description	Type of Account
(a)	Account holders require to deposit a specific initial amount as well as maintain a minimum balance	
(b)	Account holder may deposit and withdraw money whenever they want without maintaining a minimum balance	
(c)	Banks pay interest on the deposit at comparatively higher rates.	
(d)	Money may be deposited at any time and interest is earned if a specified balance is maintained	

30. 2007 Q23 P1

Outline four benefits that accrue to a customer who uses automated teller machine (ATM) banking service. (4 marks)

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31. 2007 Q17 P1

State four ways that may be used to control the amount of money in circulation by the central Bank of Kenya.

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32. 2008 Q5a P2

a) Describe four measures that the government may put in place to reduce the amount of money in circulation. (8 marks)

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33. 2008 Q13 P1

Outline four requirements for opening a current account with a Commercial bank (4 marks)

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34. 2009 Q7 P1

A trader has decided to take a loan to expand a manufacturing business. Give two reasons why it is beneficial to borrow from a non-bank financial institution (4 marks)

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35. **2009 Q5a P2**
 (a) Explain four services that the Central Bank of Kenya may offer to a banker to commercial banks (8 marks)

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36. **2010 Q7 P1**
 The management of national debt, credit control and lender of last resort are some of the functions of the Central Bank. Match these functions with the statements given below. (3 marks)

	Statement	Function
i.	Repayment of Government securities as they mature.	

ii.	Receipt of treasury bills to secure loans.	
iii.	Directing commercial banks on the preferred sectors to lend money.	

37. 2012 Q7 P1

Outline four tools of monetary policy that a government may use to reduce excess money money in circulation. (4 marks)