



KENYATTA UNIVERSITY

EXAMINATION FOR DIPLOMA IN BUSINESS MANAGEMENT

BBA 056: MONEY AND BANKING (TVT)

2ND SEMESTER 2025/2026

TIME: 2 HOURS

INSTRUCTIONS:

ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

QUESTION ONE

- (i) Explain the term “money” and discuss the role of money in an economy. [10 Marks]
- (ii) Discuss the difficulties of barter that lead to the invention of money. [15 Marks]
- (iii) Define the terms, balance of trade and foreign exchange. [5 Marks]

QUESTION TWO

- (i) Explain the role of non-banking intermediaries in economic development of a country. [10 Marks]
- (ii) Discuss the functions of commercial Banks in economic development. [10 Marks]

QUESTION THREE

- Describe the functions of central Bank of Kenya. [20 Marks]

QUESTION FOUR

- (i) Explain the objectives of monetary policy. [10 Marks]
- (ii) Discuss the essential features of a cheque and bill of exchange. [10 Marks]