KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2016/2017

FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF SCIENCE (ENVIRONMENTAL HEALTH)

HEH 305: HUMAN POPULATION STUDIES AND HEALTH

DATE: Friday 25th November 2016 **TIME: 8.00a.m -10.00a.m**

INSTRUCTIONS :

SECTION A is compulsory

SECTION B: Answer Question 2 and any other two questions of your choice

SECTION A

1. Define the following terms
   a) Population studies
   b) 'Young population'
   c) 'Ageing population'
   d) Population dynamics [4marks]

2. Give FIVE aspects that you would consider when describing a population under the following title "Social Economic development? [5marks]

3. Outline FIVE reasons why it is important for an Environmental Health Officer to study Population Health? [5marks]

4. Discuss THREE differences between the following terms: Incidence rate and Prevalence rate? [6marks]

SECTION B: Answer Question 2 and any other two questions of your choice in this section

2. a) Explain the FOUR major categories of factors that control population distribution and give at least two examples in each category? [10marks]

   b) Discuss FIVE areas that are affected by population distribution in the 'Broader context"? [10marks]

3. a) Discuss EIGHT possible causes of rapid population growth in a region. [8marks]

   b) Explain SEVEN possible <u>negative</u> effect of a high population growth. [7marks]

4. a) With the aid of a diagram, explain the population structure of a developed country. [12marks]

   b) Explain any THREE types of migration that you know. [3marks]

5. Explain the 'Demographic transition theory' of population heath. [15marks]

6. a) Discuss EIGHT factors that can contribute to high mortality in a population. [8marks]

   b) Enumerate SEVEN immediate determinants of fertility? [7marks]

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FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF COMMERCE

BAC 406: INTERNATIONAL FINANCIAL MANAGEMENT

DATE: Monday, 28th November 2016 **TIME: 4.30 p.m. - 6.30 p.m.**

INSTRUCTIONS:

ATTEMPT ALL QUESTIONS

QUESTION ONE

a) Describe any TWO theories applicable in describing the reasons for engagements in international business. (4 Marks)

b) Describe and discuss the main arguments for use of:

i) Fixed exchange rates and (2 Marks)

ii) Floating exchange rates. (2 Marks)

iii) What are the implications of the use of fixed and floating exchange rates mechanisms for multinational companies. (3 Marks)

c) Differentiate between foreign bonds and Eurobonds. (4 Marks)

(Total 15 Marks)

QUESTION TWO

a) Assume that the Citibank trading room is dealing on the following quotations:

Spot Sterling	= \$1.5000
Euro-Sterling interest rate (6- months)	= 11.00% p.a.

Euro-\$ interest rate (6 - months) = 6.00% p.a.

And, that Barclays Bank is quoting Forward Sterling (6-months) at \$1.4550.

Required:

i) Describe the transactions you would make to earn risk-free covered interest arbitrage profits? (4 Marks)

ii) How much profit would you expect to make? (4 Marks)

b) The following are the expected interest rates and inflation rates in Canada and Britain over the next six months:

Country	Interest rate	Inflation rate
Canada	4.5%	2%
Britain	3.5%	1%

The current exchange rate between Canadian dollar (C\$) and the British pound (£) is 4C\$ = 1£

Required:

Determine the six months forward exchange rate between the two currencies by using the following approaches:

i) Interest rate parity (IRP) approach. (6 Marks)

ii) Purchasing Power Parity (PPP) approach (6 Marks)

(Total 20 Marks)

QUESTION THREE

a) Assume that your company has future receivables on DM 200,000 in one year. You must decide whether to use forwards, options, or money market hedge to hedge this position. The existing spot rate of the DM is \$0.54. The one-year forward rate of the DM is \$0.56. The forecasted spot rate of DM with its corresponding probability distribution in one year are as follows:

Future Spot rate	Probability
\$0.50	20%
\$0.51	50%
\$0.53	30%

Assume that one-year put options on DM are available, with an exercise price of $0.52 and a premium of $0.03 per unit. One-year call options on DM are available with an exercise price of $0.50 and a premium of $0.07 per unit. Assume the following money market rates:

	U.S.	**Germany**
One-year deposit rate	9%	6%
One-year borrowing rate	11%	8%

Required:

Given this information,

i) Determine whether a forward hedge, money market hedge, or a currency options hedge would be most appropriate. (Show your calculations for all three strategies). (10 Marks)

ii) Compare the most appropriate hedge to an unhedged strategy, and decide whether your company should hedge its receivable position. (5 Marks)

(Total 15 Marks)

QUESTION FOUR

Last month, Jimmy Kinuthia completed his undergraduate degree in finance and decided to pursue his dream of managing his own sporting goods firm that would conduct international business. Kinuthia had worked in a sporting goods shop while going to college, and he had noticed that many customers wanted to purchase a low priced rugby ball. However, the sporting goods store where he worked, like many others, sold only top-of-the –line rugby balls. Form this experience, Kinuthia was aware that top-of-the –line rugby balls had a high mark up and that a low-cost rugby ball could possibly penetrate the East African market. He also knew how to produce rugby balls. His goal was to create a firm that would produce low-priced rugby balls and sell them on wholesale basis to various sporting goods stores in East Africa. Unfortunately, many sporting goods stores began to sell low-priced rugby balls just before Kinuthia was just about to start his business. The firm that began to produce the low-cost rugby balls already provided many other products to sporting goods stores in East Africa and therefore had already established a business relationship with these stores. Kinuthia did not believe that he would compete with the firms in the East African Market

Rather than pursue a different business, Kinuthia decided to implement his idea on global basis. Rugby to him was an upcoming game in the world, and thus it is a hobby in most countries in the world. Its demand is very high. Kinuthia asked most of his friends from the university days if they recalled seeing rugby balls in their home countries. Most of them said they rarely noticed rugby balls being sold in sporting ground stores but that they expected the demand for rugby balls to increase in their home countries. Consequently, Kinuthia decided to a start a business of producing low-price rugby balls and exporting them to sporting goods distributors in foreign countries. Those distributors would then sell the rugby balls at retail level. Kinuthia planned to expand his product line over time once he identified others sports products that he might sell to foreign sporting goods stores. He decided to call his business "Sports Exports Company." To avoid any rent and labour expenses, Kinuthia planned to produce rugby balls in his garage and to perform the work himself. Thus, his main business expenses were the cost of the materials used to produce rugby balls and expenses associated with finding distributors in foreign countries who would attempt to sell the footballs to sporting good stores.

Required;

a. Is Sports Exports Company a Multi National? Why would you say so? **(4 Marks)**

b. What are the agency costs lower for Sports Exports Company lower than for most MNCS? **(4 Marks)**

c. Does Sports Export Company (SEC) have any comparative advantage over potential competitors in foreign countries that could produce and sell rugby balls there? **(4 Marks)**

d. How would Kinuthia decide which foreign market he would attempt to enter? Should he initially focus on one or many foreign markets? **(4 Marks)**

e. The SEC has no immediate plans to conduct direct foreign investment. However, it might consider other less costly methods of establishing business in foreign markets. What methods might the SEC use to increase its presence in foreign markets by working with one or more foreign companies **(4 Marks)**

(Total 20 Marks)