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UNISA university of south africa

BAN1501

Unique number: 478306

SECOND PAPER

MAY/JUNE 2018

BANKING: INTRODUCTION

STUDENT NUMBER									

IDENTITY NUMBER												

FOR USE BY EXAMINATION INVIGILATOR

Question No	Marks					
	Examiners					
	1		2		3	
Section B						
1						
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Total						

Subject

Number of paper

Date of examination

Examination centre

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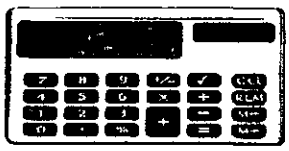
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UNIVERSITY EXAMINATIONS



UNIVERSITEITSEKSAMENS

UNISA university of south africa

BAN1501 SECOND PAPER

(478306) May/June 2018

Banking: Introduction

Duration 2 Hours 70 Marks

EXAMINERS

FIRST PROF J CHISASA
SECOND DR C NYOKA

Use of a non-programmable pocket calculator is permissible

Closed book examination

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This examination paper consists of **17 pages**, including this page and one page for rough work

This paper comprises **THREE SECTIONS**

Section A consists of 20 **multiple-choice** questions of one mark each Indicate the answers to these questions on the mark-reading sheet provided Write your student number and the **unique number 478306** on the mark-reading sheet

Section B consists of **essay** questions Answer each question in the designated area below the question

SECTION A: MULTIPLE-CHOICE QUESTIONS

Indicate the **CORRECT** answer on the mark-reading sheet provided Write your student number and the unique number **478306** on the mark-reading sheet

1 The following are the three logical objectives of regulation and supervision except

1 ensuring systemic stability
2 enhancing efficiency
3 grow the economy
4 protecting investors and depositors

2 The following are the main disadvantages of branch banking, except

1 The system can be inflexible
2 Personal contact with clients may be lost
3 It is sometimes difficult to manage a large bank efficiently
4 There is less chance that a bank will fail

3 In banking, a corporate customer is a

1 person who opens a bank account in their own capacity
2 business organisation that is treated as a legal entity
3 minor with a guardian
4 trustee in charge of an estate

4 The following are advantages of Unit banking system except

1 The unit banking operations are more economical and flexible
2 It is more convenient in terms of efficient management, supervision and control
3 There is no delay in decision making under the unit banking system
4 There is an absence of division of labour

5 The following is **NOT** an example of a credit transaction

1 Instalment agreements
2 Mortgage agreements
3 Savings account
4 Secured loans

6 Revolving Credit Accounts are usually available to income earners

1 Lower
2 Middle
3 Higher
4 Every

7 Which one of the following cessions will be the MOST preferred by the bank as security?

1 Cession of policies
2 Cession of bank deposits
3 Cession of shares
4 Cession of book debts

8 with regard to market segmentation for retail banking the is an example of an Low-value customer

1 younger consumers
2 customers of other banks
3 limited income/financial needs
4 financially excluded customers

9 Saving accounts are primarily designed to encourage customers to money

1 borrow
2 trade
3 save
4 transact

10 Group banking is the owned by an individual or a group of individuals

1 share ownership in multiple banks
2 grouping of multiple banks
3 bank branches
4 unit bank

11 If a person cannot repay the money that they have borrowed, the bank will claim the asset that the as security

1 surety has pledged
2 borrower has given
3 bank has provided
4 insurance has provided

12 In banking products, financing is when

1 a person opens a bank account for savings
2 you receive Insurance pay-out from the bank
3 a banks provide customers with funds for specific purposes
4 trustee in charge of an estate deposits funds to the bank

13 A loan may not be granted if the customer shows the following negative signals

A Exceeds his or her limit without prior arrangement with the bank
B When customer makes significant change in the management structure of his or her business
C Personal circumstances change, for example a marital break up
D Repays loan in full before end of repayment term

Choose the correct option.

1 ABD
2 ABC
3 CDA
4 CDB

14 Standard Bank's Pure Save, Nedbank's Just Save, FNB's Simply Save and ABSA's Money Builder are examples of account

1 savings
2 cheque
3 credit
4 loan

15 A home loan is credit extended to an individual or family to buy a property

1 commercial
2 industrial
3 residential
4 corporate

16 A collateral security is

1 deposited by customer to secure his or her own loan
2 pledged by another person to secure another person's loan
3 a joint security enclosure of two premises
4 an asset co-owned and pledged as security

17 Payroll service is an electronic product suited for

1 business and corporate clients
2 personal or individual clients
3 high net-worth clients
4 private clients

18 is the risk that the person to whom a loan is granted does not have the means to pay back the loan

1 Liquidity risk
2 Credit risk
3 Currency risk
4 Investment risk

19 To ensure good security with electronic banking the following should be done, except

1 Use advanced/ updated software
2 Require a customer to logon to the computer and use the services within three minutes
3 Advice clients to auto same password in personal laptop to avoid forgetting them
4 Provide a customer with three opportunities to enter his/her pin correctly

20 What does a bank need from an informal body to open a new bank account?

1 Members Identifications
2 Proof of income
3 Accounting books of the informal body
4 Constitution of the informal body

[Total: 20 marks]

SECTION B: ESSAY QUESTIONS **[Total: 50 marks]**

Answer **ALL** the questions in the space provided

Question 1 (a)

Briefly describe the concept of a branch banking system **(6 Marks)**

Question 1 (b)

Differentiate between a banking product and a banking service **(4 Marks)**

Question 1 (C)

Identify four (4) technical reasons for the non-payment of a cheque **(4 Marks)**

Question 1 (d)

Discuss the factors that have an impact on interest rates **(12 Marks)**

Question 1 (e)

Differentiate between a stop-order and a debit-order **(4 marks)**

[30Marks]

Question 2 (a)

Discuss three (3) types of electronic banking services **(6 Marks)**

Question 2 (b)

Goodies (Pty) Ltd is a start-up company that wants to open a new bank account at ZX Bank Name the four documents that Goodies (Pty) Ltd has to submit to ZX Bank **(2 Marks)**

Question 2 (c)

Discuss the characteristics of good security **(3 Marks)**

Question 2 (d)

Name three (3) reasons why a bank will freeze an account **(3 Marks)**

Question 2 (e)

Discuss the difference between a call deposit account and a notice deposit account by referring to three (3) features of each account **(6 Marks)**

END OF SECTION C

[TOTAL: 70 MARKS]

DO YOUR ROUGH WORK HERE

NO ROUGH WORK SHALL BE MARKED

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EXAMINATION MARK READING SHEET EKSAMEN-MERKLEESBLAD

PART 1 (GENERAL/ALGEMEEN) DEEL 1

STUDY UNIT e g PSY100 X
STUDIE EENHEID bv PSY100 X

1 PAPER NUMBER
VRAESTELNOMMER

2 EXAMINATION CENTRE (E G PRETORIA)
EKSAMENSENTRUM (BV PRETORIA)

3 INITIALS AND SURNAME
VOORLETTERS EN VAN

4 DATE OF EXAMINATION
DATUM VAN EKSAMEN

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6 STUDENT NUMBER
STUDENTENOMMER

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8 UNIQUE PAPER NO
UNIEKE VRAESTEL NR

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For use by examination invigilator
Vir gebruik deur eksamenopsiener

IMPORTANT

1 USE ONLY AN HB PENCIL TO COMPLETE THIS SHEET
2 MARK LIKE THIS
3 CHECK THAT YOUR INITIALS AND SURNAME HAS BEEN FILLED IN CORRECTLY
4 ENTER YOUR STUDENT NUMBER FROM LEFT TO RIGHT
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7 CHECK THAT ONLY ONE ANSWER PER QUESTION HAS BEEN MARKED
8 DO NOT FOLD

BELANGRIK

1 GEBRUIK SLEGS 'N HB POTLOOD OM HIERDIE BLAD TE VOLTOOI
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6 KONTROLEER DAT DIE UNIEKE NOMMER REG INGEVUL IS
7 MAAK SEKER DAT NET EEN ALTERNATIEF PER VRAAG GEMERK IS
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PART 2 (ANSWERS/ANTWOORDE) DEEL 2

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Specimen only

MARK READING SHEET INSTRUCTIONS

Your mark reading sheet is marked by computer and should therefore be filled in thoroughly and correctly

USE ONLY AN HB PENCIL TO COMPLETE YOUR MARK READING SHEET

PLEASE DO NOT FOLD OR DAMAGE YOUR MARK READING SHEET

Consult the illustration of a mark reading sheet on the reverse of this page and follow the instructions step by step when working on your sheet

Instruction numbers ❶ to ❿ refer to spaces on your mark reading sheet which you should fill in as follows

❶ Write your paper code in these eight squares, for instance

P	S	Y	1	0	0	-	X

❷ The paper number pertains only to first-level courses consisting of two papers

WRITE | 0 | 1 | for the first paper and | 0 | 2 | for the second If only one paper, then leave blank

❸ Fill in your initials and surname

❹ Fill in the date of the examination

❺ Fill in the name of the examination centre

❻ WRITE the digits of your student number HORIZONTALLY (from left to right) Begin by filling in the first digit of your student number in the first square on the left, then fill in the other digits, each one in a separate square

❼ In each vertical column mark the digit that corresponds to the digit in your student number as follows [-]

❽ WRITE your unique paper number HORIZONTALLY

NB Your unique paper number appears at the top of your examination paper and consists only of digits (e g 403326)

❾ In each vertical column mark the digit that corresponds to the digit number in your unique paper number as follows [-]

❿ Question numbers 1 to 140 indicate corresponding question numbers in your examination paper The five spaces with digits 1 to 5 next to each question number indicate an alternative answer to each question The spaces of which the number correspond to the answer you have chosen for each question and should be marked as follows [-]

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