# MONEY AND BANKING

# KCSE QUICK REVISION

***Compilation of Possible Questions in Business Studies Likely to be Examined in KCSE.***

***A Special Analysis of Prediction Questions that may be Tested in KCSE from this Topic in Form 4.***

# BUSINESS STUDIES

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**SERIES 1**

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***For Marking Schemes***

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# MONEY AND BANKING

***The topic entails:***

***(i) Explanation of meaning of barter and highlight its major limitations in facilitating trade.***
***(ii) Explaining the meaning of money and its characteristics***
***(iii) Discussing function of money and how each of the characteristics of money facilitate these functions.***
***(iv) Discuss the factors that influence the demand and supply of money.***
***(v) Meaning of banking and discuss the role of banking in an economy.***
***(vi) Discuss the development of banking***
***(vii) Discuss the various types of accounts offered by commercial banks***
***(viii) Discuss the functions of non-bank financial institutions bringing out the differences between commercial banks and non-bank financial institutions.***
***(ix) Discuss the role played by the central ban in an economy***
***(x) Identify trends in banking.***

**1.** Give **four** circumstances under which a trader would operate a fixed deposit account

**2.** Give any **four** functions of money

**3.** Highlight **four** reasons why loans advanced by commercial banks in Kenya may not appeal to many people

**4.** Give **four** disadvantages of barter trade

**5.** Identify the motive of holding money in each of the circumstances below:-

(a) Need to hold money to cater for future unforeseen eventualities

(b) Need to have money to cater for daily expenses

(c) Need to have money with hope that prices will fall in future in order to purchase more

**6.** Identify **four** roles of the Central Bank as a government banker

7. E-banking is a method of banking through electronic systems. Give **four** reasons to account
   for the rising popularity of this banking system
8. Mention **four** ways in which individuals can hold money
9. State **three** motives of holding money
10. Outline **four** differences between commercial banks and non- bank financial institutions
11. Identify **four** roles played by the international monetary fund in international trade
12. Explain **five** characteristic of a monopolistic market.
13. Highlight any **five** modern trends in the Banking industry in Kenya
14. Explain **five** ways in which commercial banks have enhanced the development of business activities in the country
15. Explain **five** ways through which the central bank of Kenya can expand the supply of money in an economy
16. Explain **five** methods of payments offered by commercial Banks in Kenya
17. Explain **five** factors that can lead to a cheque being dishonoured
18. Explain **four** emerging trends in the banking system
19. Banking has played a major role in Kenyan's economic development. Explain **five** current trends in banking sector

*For Marking Schemes/Answers*

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- ✓TOP SCHOOLS PREMOCKS
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# CALL/TEXT/WHATSAPP

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