

UNIVERSITY OF SWAZILAND
DEPARTMENT OF ACCOUNTING

SUPPLEMENTARY EXAMINATION PAPER 2020

- COURSE TITLE : FINANCIAL INSTITUTIONS AND MARKETS
- COURSE CODE : ACF 313/IDE AC 310
- DEGREE/DIPLOMA : DEGREE
- TIME ALLOWED : THREE (3) HOURS
- INSTRUCTIONS :
1. TOTAL NUMBER OF QUESTIONS ON THE PAPER: FOUR (4)
 2. ATTEMPT ALL FOUR (4) QUESTIONS
 3. THE MARKS AWARDED FOR A QUESTION ARE INDICATED AT THE END OF EACH QUESTION
 4. WHERE APPLICABLE, ALL WORKINGS ARE TO BE SHOWN
 5. CALCULATIONS ARE TO BE MADE TO TWO DECIMAL PLACES OF ACCURACY, UNLESS OTHERWISE INSTRUCTED.
- SPECIAL REQUIREMENTS : PV TABLES
- NOTE : YOU ARE REMINDED THAT IN ASSESSING YOUR WORK, ACCOUNT WILL BE TAKEN OF THE ACCURACY OF LANGUAGE, THE GENERAL QUALITY OF EXPRESSION, TOGETHER WITH THE LAYOUT AND PRESENTATION OF YOUR FINAL ANSWER.

THIS QUESTION PAPER SHOULD NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

QUESTION 1

- a) Name and discuss any six types of bonds.
(10 MARKS)
- b) Discuss the factors affecting bond returns.
(10 MARKS)
- c) UNESWA Ltd is issuing a bond with a maturity of 12 years after which E150 000 will be paid to the bondholder. The market interest rate is 7%. The bondholder receives a coupon of E10 500 every year, what is the bond selling for at present?
(5 MARKS)

(TOTAL 25 MARKS)

QUESTION 2

- a) Discuss the objectives of Financial Regulation within the context of the Financial Markets.
(17 MARKS)
- b) Write short explanatory notes on the following:-
- i.** The South African National Credit Act 34 of 2005. **(4 MARKS)**
- ii.** The South African Financial Intelligence Centre Act 38 of 2001 (FICA) **(4 MARKS)**

(TOTAL 25 MARKS)

QUESTION 3

Discuss the challenges facing the Banking Industry.

(25 MARKS)

QUESTION 4

Discuss the economic functions performed by a stock exchange.

(25 MARKS)