



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) :

Course Code & Name : **FIN2123 Fundamental of Banking**

Trimester & Year : **May – August 2018**

Lecturer/Examiner : Leow Hon Wei

Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

- This question paper consists of 2 parts:
 - PART A (25 marks) :** Answer all THREE (3) short answer questions. Answers are to be written in the Answer Booklet provided.
 - PART B (75 marks) :** Answer all FOUR (4) structure answer questions. Answers are to be written in the Answer Booklet provided.
- Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
- This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
- Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

WARNING: The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

Total Number of pages = 3 (Including the cover page)

PART A
INSTRUCTION(S)

: SHORT ANSWER QUESTIONS (25 MARKS)

: Answer **ALL** questions. Write your answers in the Answer Booklet(s) provided.

Question 1

- (a) A bank is a financial institution that accepts deposits from the public and creates credit. Define what is about bank?
(4 marks)

- (b) In Malaysia, there are many different types of commercial banks. Provide **THREE (3)** types of commercial banks in Malaysia.
(9 marks)

[Total: 13 marks]

Question 2

Define the **THREE (3)** major forms of economic policy such as monetary policy, fiscal policy and exchange rate policy.
(6 marks)

[Total: 6 marks]

Question 3

Explain how the safety net causes instability to banking system.
(6 marks)

[Total: 6 marks]

[Total: 25 marks]

END OF PART A

PART B : STRUCTURE QUESTIONS (75 MARKS)

INSTRUCTION(S) : Answer all **FOUR (4)** questions. Write your answers in the Answer booklet(s) provided.

Question 1

- (a) Banks play an important role to make sure the efficiency of the banking operation. Provide **FIVE (5)** roles of banks.

(15 marks)

- (b) Electronic banking services are the range of banking and other services or facilities that use electronic equipment. Discuss **FIVE (5)** types of electronic banking in Malaysia.

(15 marks)

[Total: 30 marks]

Question 2

Bank Negara Malaysia, the nation's central bank, plays a key role in developing financial sector. Analyse **THREE (3)** functions of central bank.

(15 marks)

[Total: 15 marks]

Question 3

Modern international banking encourages the expansion of banks to overseas. Explain **TWO (2)** reasons why do banks go overseas?

(15 marks)

[Total: 15 marks]

Question 4

There has been a significant trend towards central bank independence in many countries and the issue has generated substantial debate all over the world. Should the central banks be independent?

(15 marks)

[Total: 15 marks]

[Total: 75 marks]

END OF EXAM PAPER