



**HERBERT CHITETO SCHOOL OF LAW AND BUSINESS SCIENCES**

**DEPARTMENT OF MANAGEMENT STUDIES**

**MASTER OF COMMERCE DEGREE**

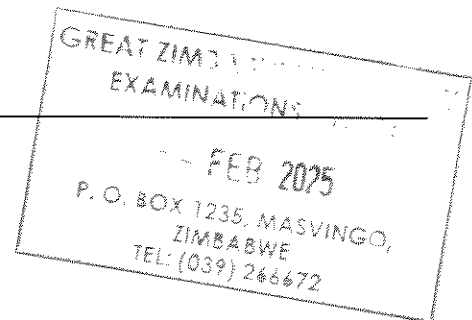
**LEVEL 1 SEMESTER 1**

**EXAMINATION QUESTION PAPER**

**MODULE CODE**                      **MSM614**  
**MODULE NARRATION**    **FINANCIAL ACCOUNTING**  
**DATE**  
**DURATION**                              **3 HOURS**

**INSTRUCTIONS TO CANDIDATES:**

1. Paper consists of four **(4)** questions.
2. Attempt all **four (4)** questions.
3. Start each answer on a fresh page.
4. You may use a silent non-programmable calculator



### QUESTION 1

(a) Classify the following items into current assets, non-current assets, liabilities, non-current liabilities, equity, income or expenses: **[10 marks]**

- |                                     |   |
|-------------------------------------|---|
| 1. Sale of goods for cash           | 2. Amounts receivable due to credit sales |
| 3. Rent paid for office premises    | 4. Amounts payable to credit suppliers    |
| 5. Purchase of goods                | 6. Acquisition of a building              |
| 7. Travel expenses                  | 8. Printing charges                       |
| 9. Corporate tax paid               | 10. Profit from sale of equipment         |
| 11. Interest paid                   | 12. Interest received                     |
| 13. Purchase of plant and equipment | 14. Cash received from owners             |
| 15. Bank loans                      | 16. Furniture received from owners        |
| 17. Inventories in stock            | 18. Profit for the period                 |
| 19. Cash drawings by a sole trader  | 20. Computers used by employees           |

(b) On 5 January 2023, Big Inc filed a lawsuit on Small Inc for damages for breach of contract. The claim was for \$500,000. Big Inc prepares its financial statements on 31 December every year. The lawsuit with Small Inc is still pending on 31 December 2023. Should Big Inc include this claim amount in the financial statements? **[5 marks]**

© Prepare a trial balance from the following details: **[10 marks]**

	\$		\$
Sales	50,000	Accrued expenses	6,300
Purchases	30,000	Expenses	12,000
Bad debts	2,000	Discount received	600
Depreciation	3,500	Inventory: 01/01/20X9	6,000
Accumulated depreciation	10,500	Loss on sale of asset	500
Rent received	3,500	Amortisation of intangible asset	300
Petty cash	500	Intangible assets	3,000
Cash at bank	35,000	Share premium account	6,000
Share capital	12,900	Provision for bad debts	
Inventory: 31/12/2023	7,000	01/01/2023	3,000
		Provision for bad debts	4,000
		31/12/2023	

### QUESTION 2

S&K limited is involved in the manufacture of concrete products and its financial statements are as follows:

#### S&K Limited Statement of Financial Position as at 31 December 2023

	2023	2022
	\$'000	\$'000
Non-Current Assets		
Property, Plant & equipment	<u>1,830,461</u>	

Total Non-Current Assets	<b><u>1,8301,461</u></b>	
Current Assets		
Inventories	262	289
Trade receivables	161	146
Cash & Cash equivalents	<u>98</u>	<u>81</u>
Total Current Assets	<b><u>521 516</u></b>	
Total Assets	<b><u>2,3511,977</u></b>	
Equity & Liabilities		
Equity		
share Capital	300	200
share Premium	50	20
retained earnings	1,451	1,277
revaluation surplus	<u>74</u>	<u>120</u>
Total Equity	<b><u>1,8751,617</u></b>	
Non-Current Liabilities		
long Term loan	<u>280</u>	<u>200</u>
Total Non-Current Liabilities	<b><u>280200</u></b>	
Current Liabilities		
Trade Payables	148	116
bank overdraft	10	18
Current Tax Payables	<u>38</u>	<u>26</u>
Total Current Liabilities	<b><u>196160</u></b>	
Total Equity & Liabilities	<b><u>2,3511,977</u></b>	

**S&K Limited Statement of Profit or Loss & Other Comprehensive Income  
for the year-ended 31 December 2023**

	\$'000
Revenue	4,300
Cost of sales	<u>(3,600)</u>
Gross Profit	700
distribution Costs	(176)
Administration expenses	(124)
finance Costs	<u>(42)</u>

Profit before Tax	<b>358</b>
Income Tax expense	<u>(46)</u>
Profit for the Year	<b>312</b>
Other Comprehensive Income	
losses on Property revaluations, net of tax	<u>(46)</u>
Total Comprehensive Income for the year, net of tax	<b><u>266</u></b>

**Notes:**

(i) Property, Plant & equipment with a carrying value of \$320,000 was sold for \$280,000. This asset had originally cost \$450,000.

(ii) depreciation of Property, Plant & equipment during the year amounted to \$356,000.

(iii) dividends paid during the year amounted to \$138,000 and are reported in the statement of Changes in equity.

**REQUIREMENT:**

Prepare a statement of Cash flows for the year-ended 31 December 2023 for S&K limited in accordance with IAs 7 Statement of Cash Flows. **[25 Marks]**

**QUESTION 3**

Brown plc is a wholesaler. The following is its trial balance as at 31 December 2023.

	<i>Dr</i>	<i>Cr</i>
	<i>\$ 000</i>	<i>\$ 000</i>
Ordinary share capital: \$1 shares		300
Share premium		20
General reserve		16
Retained earnings as at 1 January 2023		55
Inventory as at 1 January 2023	66	
Sales		962
Purchases	500	
Administrative costs	10	
Distribution costs	6	
Plant and machinery – cost	220	
Plant and machinery – provision for depreciation		49
Returns outwards		25
Returns inwards	27	
Carriage inwards	9	
Warehouse wages	101	
Salesmen’s salaries	64	
Administrative wages and salaries	60	
Hire of motor vehicles	19	
Directors’ remuneration	30	
Rent receivable		7

Trade receivables	326	
Cash at bank	62	
Trade payables		66
<b>1,500</b>	<b>1,500</b>	

**The following additional information is supplied:**

- (i) Depreciate plant and machinery 20% on straight-line basis.
- (ii) Inventory at 31 December 2023 is \$90,000.
- (iii) Accrue auditors' remuneration \$2,000.
- (iv) Income tax for the year will be \$58,000 payable October 2024.

**Required:**

Prepare a statement of profit or loss and a statement of financial position in a form that complies with IAS 1. **[25 marks]**

**QUESTION 4**

**The following financial statements relate to AKU plc:**

**Statement of profit/loss for the year ended 30 June 2023**

	<b>\$000</b>
<b>\$ 000</b>	
Revenue	6,200
Cost of sales <u>(2,750)</u>	
Gross profit	3,450
Administration and selling expenses <u>(2,194)</u>	
Operating profit	1,256
Debenture interest	<u>(84)</u>
Profit before taxation	1,172
Taxation	<u>(480)</u>
Profit for equity holder	<u>692</u>

The directors have recommended a dividend of 36.7 cents per share in respect of Year ended 30 June 2023 to be paid following approval at the next annual general meeting.

**Statement of financial position as at 30 June 2023**

<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	
<b>Non-current net of depreciation</b>			1,750
<b>Current assets:</b>			
Inventory		620	
Trade receivables		1,540	

Cash	200	2,360
<b>TOTAL ASSETS</b>		<b>4,110</b>
<b>EQUITY AND LIABILITIES:</b>		
900,000 ordinary shares of 50 cents nominal value		450
Retained earnings		<u>1,020</u>
		1,470
Non-current liabilities		
6%	1,400	
Current liabilities:		
Trade	300	
Other creditors and <u>9401,240</u>		<u>2,640</u>
<b>TOTAL EQUITY AND LIBILITIES</b>		<b>4,110</b>

**Required**

(a) Calculate ratios which measure:

- (i) liquidity and the use of working capital;
- (ii) management performance; and
- (iii) gearing.

**[12 marks]**

(b) Explain how each ratio would help in understanding the financial position and results of the company.

**[6 marks]**

(c) The market price is currently 1,100 cents per share. Calculate ratios which are useful to investors.

**[7 marks]**

**[Total: 25 Marks]**

**\*THE END\***

GREAT ZIMBABWE UNIVERSITY

EXAMINATION PAPER REQUIREMENTS

NOTE: It is requested that this form be completed in full and in duplicate for each examination paper and returned to the Examination Office with the typed examination master sheet to be dispatched to the External Examiner.

Section 1: To be completed by the Department

- 1.1 Title and Code of Paper MSM614 Financial Accounting...
1.2 Number of Pages of Master Copy 6.....
1.3 Month/ Year of Examination May/June 2024...
1.4 Exam Duration 3 Hours
1.5 Number of Candidates .....
1.6 Special Requirements (e.g Acts, Statistical Tables, Graph Paper, Double Desks, Special Facilities)

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1.7 Authorised material for students to bring to the Exam Room
Silent Non-Programmable Calculator.....

1.8 We certify that we have checked the attached examination paper and that it is in order for:

- i) Dispatch to External Examiner [X]
ii) Printing [ ]
(put a tick in appropriate box)

Signature of Lecturer [Signature] Date 18-03-2024

Signature of Chairman of Department..... [Signature] Date...23/3/24..

Section 2: Endorsement by External Examiner





**HEBERT CHITEPO SCHOOL OF LAW AND BUSINESS SCIENCES**

**DEPARTMENT OF ECONOMICS AND FINANCE**

**MASTRR OF COMMERCE DEGREE**

**LEVEL 1**

**SEMESTER 2**

**MODULE CODE**

**MED527**

**MODULE NARRATION**

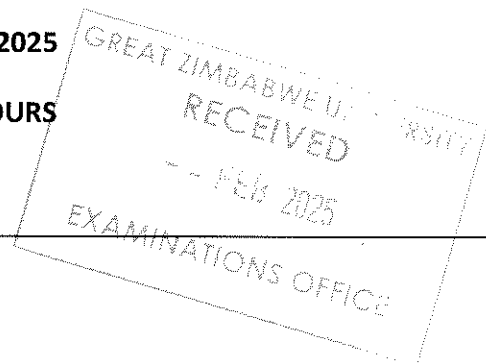
**NATURAL RESOURCES AND ECONOMIC  
DEVELOPMENT**

**DATE**

**FEB 2025**

**DURATION**

**3 HOURS**



**INSTRUCTIONS TO CANDIDATES:**

1. Answer any four questions
2. All questions carry equal marks
3. Start each answer on a fresh page
4. Show all workings, where applicable

### QUESTION 1

- (a) Describe the major characteristics of non-renewable resources. [4 marks]  
(b) Discuss the critical issues in the optimal utilization of non-renewable resources.

[21 marks]

[Total 25 marks]

### QUESTION 2

- (a) Discuss with illustrations the link between natural resources and economic development. [15 marks]  
(b) Using appropriate examples, examine how natural resources are classified. [10 marks]

[Total 25 marks]

### QUESTION 3

Evaluate the resource curse thesis using the DRC and the USA.

[Total 25 marks]

### QUESTION 4

Suppose the relevant details of a non-renewable copper are as follows:

$X_0 = 10$  tonnes: extractive quantity or initial reserves.

$Q_t = q_0, q_1$ : quantity extracted in periods 0 and 1 respectively.

$P_t = 20 - q_t$ : demand for copper output in period  $t$ .

$MC = \$5$  per tonne: constant marginal cost of extraction.

$r = 0.10$ : discount rate.

$t = 0, 1$ : set of time period periods for extracting coal; assumed to be two periods.

$X_T = X_2 = 0$ : final function.

- (a) Explain the net social benefit from extracting coal and then set up the maximizing problem for periods 0 and 1. State the Lagrangean function and obtain the first order necessary condition for this problem. [10 marks]  
(b) Solve for the optimal values of  $q_0, q_1, P_0,$  and  $P_1$  as well as the royalties in periods 0 and 1. [6 marks]  
(c) From the optimal values in (b) above, demonstrate that a condition for optimal depletion, in this case, is that the present value of the royalty must be the same in both periods 0 and 1. [5 marks]  
(d) From the results above, demonstrate that another condition for optimal depletion is that the price of coal is equal to the marginal cost of extraction plus royalty.

[4 marks]

[Total 25 marks]

### QUESTION 5

1. Critically examine Zimbabwe's and Botswana's historical experiences of the role of natural resources in economic development. [Total 25 marks]

**END OF EXAMINATION**

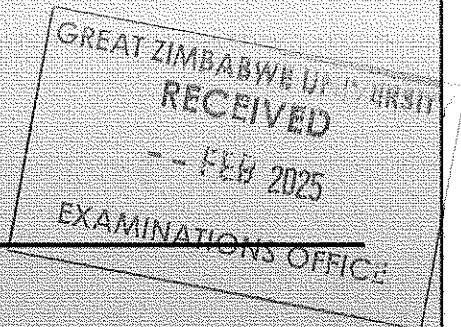


**HERBERT CHITEPO SCHOOL OF LAW AND BUSINESS  
SCIENCES**

**DEPARTMENT OF ECONOMICS AND FINANCE**

**SUPPLEMENTARY EXAMINATION**

<b>BACHELOR OF COMMERCE</b>	<b>PART 2 SEMESTER 2</b>
<b>COURSE</b>	<b>RETIREMENT FUNDING</b>
<b>CODE</b>	<b>HRMI 228</b>
<b>YEAR</b>	<b>2025</b>
<b>DATE</b>	
<b>DURATION</b>	<b>3 HOURS</b>



**INSTRUCTIONS TO CANDIDATES**

- 1. THE PAPER COMPRISES 5 QUESTIONS.**
- 2. YOU ARE REQUIRED TO ANSWER ANY FOUR QUESTIONS.**
- 3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.**
- 4. NON-PROGRAMMABLE FINANCIAL OR SCIENTIFIC CALCULATORS ARE ALLOWED INTO THE EXAMINATION.**

## QUESTION 1

1.1 Define the following terms:

- a) Retirement fund. (3)
- b) Investment (2)
- c) John will retire in 25 years. This year he wants to fund an amount of UD\$40,000 to become available in 20 years. How much does he have to deposit into a pension plan earning 10% annually? (5)

1.2 Discuss the benefit risks in defined contribution schemes. (15)

**[Total 25 marks]**

## QUESTION 2

2.1 Explain the roles of the state and financial institutions in the provision of benefits.

(10)

2.2 Discuss the advantages and disadvantages of property investments. (15)

**[Total 25 marks]**

## QUESTION 3

3.1 Briefly explain the characteristics of pension funds. (10)

3.2 Discuss the advantages and disadvantages of defined benefit pension plans. (15)

**[Total 25 marks]**

## QUESTION 4

4.1 Explain why benefits may be lower than expected in defined benefit plans. (10)

4.2 Examine strategies of managing the following risks in retirement:

- a) Inflation risk (5)
- b) Excess withdrawal risk (5)
- c) Longevity risk (5)

**[Total 25 marks]**

**[Total marks 25]**

**QUESTION 5**

5.1 Examine any three common types of mutual funds. (10)

5.2 Describe the steps in the retirement planning process. (15)

**[Total 25 marks]**

**END OF EXAMINATION**



**MUNHUMUTAPA SCHOOL OF COMMERCE**  
*Department of Management Studies*

**BACHELOR OF COMMERCE**

**PART 1 SEMESTER 1**

**MODULE NARRATION**

**BUSINESS RESEARCH  
METHODS**

**CODE**

**MSM615**

**DATE**

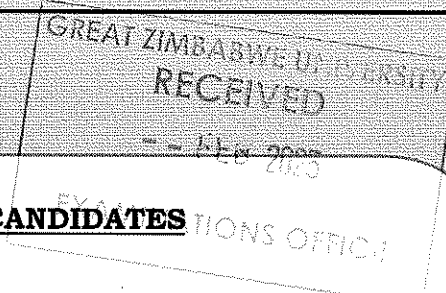
**2024**

**DURATION**

**3 HOURS**

**INSTRUCTIONS TO CANDIDATES**

1. Answer **any four questions**.
2. Each question carries 25 marks.
3. Start each question on a fresh page
4. Credit will be given for logical, systematic, and neat presentations.



### QUESTION 1

Illustrate using practical examples, any five key components of the business research process **(25 marks)**

### QUESTION 2

The top management at Great Zimbabwe University has requested you to conduct a study to assess student's satisfaction with the quality of e-learning service offered in the library. Would you consider a quantitative or qualitative approach to this study? Justify **(25 marks)**

### QUESTION 3

Contrast positivism and interpretivism research philosophies as applied in business research **(25 marks)**

### QUESTION 4

1.1 Table 1 shows the reliability values and validity statistics for the constructs of a study.

<b>Construct</b>	<b>Cronbach's alpha</b>	<b>Composite reliability</b>	<b>AVE</b>
Autonomy	.561	.671	.456
Risk-taking	.899	.911	.654
Innovativeness	.422	.678	.374
Proactiveness	.765	.798	.767
Entrepreneurial Intention	.888	.899	.677

- a) Explain the implications of the results of the study? **(15 marks)**
- b) Discuss ways of determining discriminant validity **(10 marks)**

### QUESTION 5

Justify the application of theory in business research **(25 marks)**

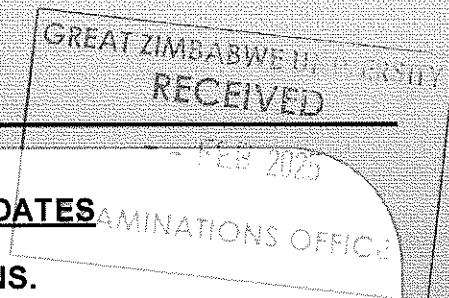
### QUESTION 6

Discuss the arguments for and against the design and administration of a web-based questionnaire. Illustrate your answer with suitable examples. **(25 marks)**



**MUNHUMUTAPA SCHOOL OF COMMERCE**  
**DEPARTMENT OF ECONOMICS AND FINANCE**  
**FINAL EXAMINATION**

<b>BACHELOR OF COMMERCE</b>	<b>PART 2 SEMESTER 2</b>
<b>COURSE</b>	<b>DEVELOPMENT FINANCE</b>
<b>CODE</b>	<b>HBF 228</b>
<b>DATE</b>	<b>2025</b>
<b>DURATION</b>	<b>3 HOURS</b>



**INSTRUCTIONS TO CANDIDATES**

1. THE PAPER COMPRISES 5 QUESTIONS.
2. YOU ARE REQUIRED TO ANSWER FOUR QUESTIONS, BOTH QUESTIONS IN SECTION A AND ANY TWO FROM SECTION B
3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.
4. NON-PROGRAMMABLE FINANCIAL OR SCIENTIFIC CALCULATORS ARE ALLOWED IN THE EXAMINATION.
5. CANDIDATES WILL OBTAIN CREDIT FOR SHOWING ALL WORKINGS.

### Question 1

1.1 Examine some of the major sources of development finance that countries such as Zimbabwe can employ in their quest to grow towards sustainable development. [10 Marks]

1.2 Kundai Private Limited is a Zimbabwean Corporation that is contemplating making a 4 year capital investment project in Botswana for diamond production. The following Pula (BWP) cash flows are expected to be generated by the project if it is to be undertaken (BWP 000) as indicated above:

Period (in Years)	1	2	3	4
Revenues	25 000	40 000	64 000	72 000
Costs	12 800	18 600	24 800	36 500
Salvage				8 860

It is also given that the current exchange rate between the two countries is \$0.6250/ZAR. The following exchange rates are projected for the 4 year investment period given above (\$/BWP):

Period (in Years)	1	2	3	4
Exchange Rate \$/BWP	0.6248	0.6250	0.6240	0.6256

Given that the project needs an estimated total capital of BWP 9 600 000 plus BWP7 200 000 working capital to commence, determine the viability of the project based on a foreign corporate tax rate of 40% and a cost of capital of 22% in:

3.1 Foreign currency terms. [14 marks]

3.2 Domestic currency terms. [6 marks]

[Total 30 Marks]

### Question 2

2.1 Define, compare and contrast the concepts of economic growth and development. [10 marks]

2.2 Tigris Private Limited is a foreign firm that has developed interest in sugar production business in the Middle Sabi Area of Manicaland Province, Zimbabwe. The machinery and equipment that the company intends to use in its sugar production business will cost \$100 000 000 and must be replaced at least every four years. The initial capital outlay and other costs that the firm will incur in running the tea project according to its age are as shown in the table below:

**Projected Cash Flows (\$000)**

Age in Years	0	1	2	3	4
Capital Outlay	(100 000)				
Maintenance Costs	-	(10 000)	(20 000)	(25 000)	(32 000)

Cost of Repairs	-	-	(4 000)	(8 000)	(16 000)
Net Realisable Value (NRV)	-	64 000	40 000	32 000	24 000

It is also given that future replacements of the machinery and equipment will be by means of identical machines. The revenues to be generated by the firm over the years will not be affected by the ages of the machinery and equipment. The company's cost of capital is pegged at 15%.

Ignoring the impact of inflation and taxation on both costs and revenues to be generated by the firm, calculate the annual equivalent costs (AEC) of the possible replacement cycle of the machine using replacement periods of 1, 2, 3 and 4 years. [20 marks]

[Total 30 Marks]

### Section B

Answer any two (2) questions in this section. Each question carries 20 marks.

#### Question 3

Examine some of the policy and non-policy explanations and strategies that are behind the success story of the Pacific Basin Model (Four East Asian Tigers) Model. [20 marks]

[Total 20 Marks]

#### Question 4

Sanyanga Private Limited's Comprehensive Statement of Income financial statement for the year ended December 31, 2016 stood as demonstrated below: (\$000)

Total Annual Sales	93 200
Total Annual Cost of Sales	(60 000)
EBIT	33 200
Less Interest	(6 400)
EBT	26 800
Less Corporate Tax at 40%	(10 720)
EAT	16 080

Given that the cost of capital of a similar ungeared firm is 24% and cost of debt is 16%:

4.1 Calculate the value of the levered firm and its cost of capital according to MM propositions without taxes. [9 Marks]

4.2 Determine the value of the levered firm and its cost of capital according to MM propositions with taxes. [6 Marks]

4.3 Comment on the implications of the tax burden on the cost and market value of the firm. [5 Marks]

[Total 20 Marks]

### Question 5

Mallon Limited is a corporation listed on the Zimbabwe Stock Exchange (ZSE) with total capital for investment limited to \$20 000 000 (\$20 million). The company is considering five capital projects, A to E with the following capital requirements and total present values (TPVs) (in \$ million):

Project	Capital	Total Present Value	NPV	NPV Rank	Profitability Index (PI)	PI Rank
A	5	6.25				
B	4	5				
C	8	10				
D	10	12.4				
E	6	7.2				

5.1 What is meant by the term capital rationing? [2 marks]

5.2 Copy and complete the table above. [6 marks]

5.3 Appraisal the projects using the net present value (NPV) appraisal methods. [4 marks]

5.2 Appraisal the projects using the profitability index appraisal method [4 marks]

5.3 Comment on the criteria used when evaluating capital projects using the NPV and PI Investment appraisal methods. [4 marks]

[Total 20 Marks]

**END OF EXAMINATION**



**MUNHUMUTAPA SCHOOL OF COMMERCE**  
*Department of Management Studies*

**EXAMINATION PAPER**

**BACHELOR OF COMMERCE**

**LEVEL 2.1**

**MODULE NARRATION**

**HUMAN RESOURCE  
MANAGEMENT**

**CODE**

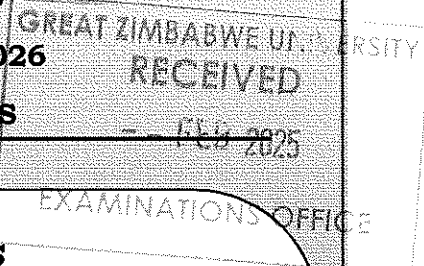
**HBM215**

**DATE**

**2025/2026**

**DURATION**

**3 HOURS**



**EXAMINATION INSTRUCTIONS**

- 1. SECTION A-COMPULSORY. ANSWER ALL QUESTIONS- (40MARKS).**
- 2. SECTION B-OPTIONAL, EACH QUESTION CARRIES 20 MARKS.**
- 3. TOTAL EXAM MARKS-100MARKS.**
- 4. BEGIN AN ANSWER TO EACH QUESTION ON FRESH PAGE.**
- 5. USE RELEVANT PRACTICAL EXAMPLES.**
- 6. CREDIT WILL BE GIVEN FOR LOGICAL, SYSTEMATIC AND NEAT PRESENTATION.**

**SECTION A-COMPULSORY – (40 marks)**

1. Discuss the external (outside environment) and internal (inside the firm) factors or conditions are indicating (even dictating) HR changes in strategy, structure, and process (policies and practices)?

(40)

**SECTION B-CHOOSE ANY 3 QUESTIONS**

2. Assess why are reward management systems critical to Human Resource Management. (20)
3. Evaluate the effectiveness performance, management systems in Zimbabwe. (20)
4. Elucidate how to measure training successful training programme in an organisation (20)
5. Explore the need for transparent and fair recruitment and selection strategies in an organisation. (20)
6. Discuss some of the key factors which are critical in an induction programme.(20)

**END**



**HERBERT CHITEPO SCHOOL OF LAW AND BUSINESS  
SCIENCES  
DEPARTMENT OF ECONOMICS AND FINANCE**

**SUPPLEMENTARY EXAMINATION**

<b>BACHELOR OF COMMERCE</b>	<b>PART 2 SEMESTER 2</b>
<b>COURSE</b>	<b>RESEARCH METHODS IN INSURANCE</b>
<b>CODE</b>	<b>HBF 2211</b>
<b>DATE</b>	
<b>DURATION</b>	<b>3 HOURS</b>

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-- Feb 2025  
EXAMINATIONS OFFICE

**INSTRUCTIONS TO CANDIDATES**

- 1. THE PAPER COMPRISES 5 QUESTIONS.**
- 2. YOU ARE REQUIRED TO ANSWER ANY FOUR QUESTIONS.**
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- 4. NON-PROGRAMMABLE FINANCIAL OR SCIENTIFIC CALCULATORS ARE ALLOWED INTO THE EXAMINATION.**
- 5. CANDIDATES WILL OBTAIN CREDIT FOR SHOWING ALL WORKINGS.**

### QUESTION 1

Using a topic from your field of study, write a research proposal you would present to your department in Partial Fulfilment of the Requirements of your degree programme.  
[25 marks]

[Total 25 Marks]

### QUESTION 2

2.1 Discuss the purpose of Literature Review and Research Methodology in documentation of a Commercial Research Project.  
[15 marks]

2.2 The table below summarizes the age classes and types of life assurance covers registered with Bandawa Life Assurance Firm in 2023 .

Type of Cover	Short Term	Medium Term	Long Term
Young Age	36	32	26
Middle Age	30	32	34
Old Age	36	42	48

Test the claim that the age of the client and type of life assurance cover are independent at 5% level of significance.  
[10 marks]

[Total 25 Marks]

### QUESTION 3

3.1 Explain the concepts of regression and correlation analyses. [2 marks]

3.2 The following data refer to the ages and prices of various car models on the market:

Age (In Years)	5	6	3	2	4	7	8	9
Car Price (\$000)	16	14	22	25	18	12	10	8

3.2.1 Determine the independent and dependent variables of the data. [2 marks]

3.2.2 Show the data on a scatter plot and comment on the distribution. [5 marks]

3.2.3 Estimate the Ordinary Least Squares (OLS) model connecting the two variables. Interpret your estimated linear regression coefficients. [6 marks]

3.2.4 Estimate the price for a car that is 12 years today. [3 marks]

3.2.5 Calculate Pearson's product moment correlation coefficient and the coefficient of determination. Appraise your findings. [7 marks]

#### QUESTION 4

4.1 Distinguish between descriptive and inferential statistics. [2 marks]

4.2 The following data refer to the pension benefits to be realized by the contributors from Denda Limited (the Insurer) at attainment of the pensionable age of 65:

Pension Benefit (\$000)	50-80	80-120	120-150	150-180	180-210	210-240	240-270	270-300
Number of Clients	18	20	24	36	50	40	30	32

4.2.1 Compute the mean, mode, median and standard deviation of the data. [10 marks]

4.2.2 Evaluate the lower and upper quartiles of the data and draw a Box and Whisker plot to determine the skewness of the data. [8 marks]

4.2.3 Draw a histogram and less than ogive of the data, and use it to read the 8<sup>th</sup> decile benefit. [5 Marks]

#### QUESTION 5

5.1 A bag contains 2 green, 4 blue and 8 red balls. The balls are well shuffled and two balls are chosen at random from the bag without replacement. What is the probability that:

5.1.1. Both balls are Red? (2 marks)

5.1.2 One is Green and the other one is blue? (3marks)

5.1.3 Both are Orange? (2mark)

5.2 If 10% of the cups produced by a machine are defective, what is the probability of a random sample of 5 cups containing:

5.2.1 Exactly two defectives? (3marks)

5.2.2 Fewer than three defectives?

(2marks)

5.3 Suppose that a manufactured product has two defects per unit of product inspected. Use the Poisson distribution to calculate the probability of finding a product without any defect, three defects and four defects. (4marks)

5.4 A normally distributed class has a mean of 65 and a variance of 625. Calculate the probability that a student selected at random from the class will have a mark:

5.4.1 of 48.

(2marks)

5.4.2 between 58 and 78

(3marks)

5.4.3 Above 75

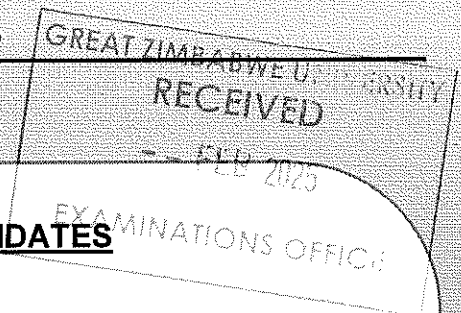
(3marks)

**END OF EXAMINATION PAPER**



**MUNHUMUTAPA SCHOOL OF COMMERCE  
DEPARTMENT OF BANKING AND FINANCE  
SUPPLEMENTARY EXAMINATION**

<b>BACHELOR OF COMMERCE</b>	<b>PART 4 SEMESTER 2</b>
<b>COURSE</b>	<b>FINANCIAL ENGINEERING</b>
<b>CODE</b>	<b>HBF427</b>
<b>DATE</b>	<b>2025</b>
<b>DURATION</b>	<b>3 HOURS</b>



**INSTRUCTION TO CANDIDATES**

- 1. THE PAPER COMPRISES 5 QUESTIONS.**
- 2. YOU ARE REQUIRED TO ANSWER QUESTION 1 AND ANY OTHER THREE QUESTIONS.**
- 3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.**
- 4. FINANCIAL AND NON-PROGRAMMABLE SCIENTIFIC CALCULATORS ARE ALLOWED IN THE EXAMINATION.**
- 5. CANDIDATES WILL OBTAIN CREDIT FOR SHOWING ALL WORKINGS.**
- 6. THE STANDARD NORMAL DISTRIBUTION TABLE IS ON THE LAST PAGE.**

**QUESTION 1****[40 MARKS]****Compulsory**

1.1 Define the term risk-neutral probability as used in Financial Engineering. [5 Marks]

1.2 Given the following inequality in the Forward market, outline the investment hedging strategy you would implement to enjoy a riskless profit. [7 Marks]

$$F(0,T) < S(0)e^{rT}$$

1.3 Under what circumstances would you say that a call option/put option is:

1.3.1 In the money? [4 Marks]

1.3.2 At the money? [4 Marks]

1.3.3 Out of the money? [4 Marks]

1.3 The stock price six months from expiration of an option is  $S(0) = \$42$ , the exercise price ( $X$ ) = \$40, the risk free rate ( $r$ ) = 10% per annum, and the volatility is 20% per annum. Calculate the price of:

1.3.1 Call Option [8 Marks]

1.3.2 Put Option [8 Marks]

**QUESTION 2****[20 MARKS]**

2.1 Suppose that stock prices follow a binomial tree, the possible values of  $S(2)$  being \$121, \$110 and \$100. Find  $u$  and  $d$  when:

2.1.1  $S(0) = 100$  dollars. [5 Marks]

2.1.2  $S(0) = 104$  dollars. [5 Marks]

2.2 Explain the following three assumptions used in financial engineering:

i. Short-selling

ii. Solvency

iii. Divisibility

iv. Marking-to-market

v. Randomness [10 Marks]

**QUESTION 3****[20 MARKS]**

3.1 Suppose that stock prices follow a binomial tree, the possible values of  $S(2)$  being \$121, \$110 and \$100. Find  $u$  and  $d$  when  $S(0) = 100$  dollars. Do the same when  $S(0) = 104$  dollars. [10 Marks]

- 3.2 A Suppose that the value of a stock exchange index is 13,800, the futures price for delivery in 9 months is 14,300 index points, and the interest rate is 8%. Find the dividend yield. [10 Marks]

**QUESTION 4 [20 MARKS]**

- 4.1 Suppose that  $A(0) = 100$  and  $A(1) = 105$  dollars, the present price of pound sterling is  $S(0) = 1.6$  dollars, and the forward price is  $F = 1.50$  dollars to a pound with delivery date  $t = 1$ . How much should a sterling bond cost today if it promises to pay £100 at time 1? [12 Marks]
- 4.2 Find the stock price on the exercise date for a European put option with strike price \$46 and exercise date in six months to produce a profit of \$6 if the option is bought for \$6.50, financed by a loan at 13% compounded continuously. [8 Marks]

**QUESTION 5 [20 MARKS]**

- 5.1 Let  $A(0) = 100$  and  $A(1) = 110$  dollars,  $S(0) = 90$  dollars and

$$S(1) = \begin{cases} 100 & \text{with probability } 0.6, \\ 70 & \text{with probability } 0.4 \end{cases}$$

Assuming you have \$50, 000 to invest in a portfolio. You decide to buy  $x$  shares and  $y$  bonds in the ratio 6:4 respectively. Compute:

- 5.1.1 The number shares and bonds you would invest in. [4 Marks]  
5.1.2 The portfolio expected return and standard deviation. [6 Marks]  
5.1.3 Portfolio coefficient of variation. [4 Marks]
- 5.2 Comment on the level of risk of the portfolio in 5.1. [6 Marks]

**END OF EXAMINATION**

Standard Normal Distribution Table

x	0	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09
0.0	0.5000	0.5040	0.5080	0.5120	0.5160	0.5199	0.5239	0.5279	0.5319	0.5359
0.1	0.5398	0.5438	0.5478	0.5517	0.5557	0.5596	0.5636	0.5675	0.5714	0.5753
0.2	0.5793	0.5832	0.5871	0.5910	0.5948	0.5987	0.6026	0.6064	0.6103	0.6141
0.3	0.6179	0.6217	0.6255	0.6293	0.6331	0.6368	0.6406	0.6443	0.6480	0.6517
0.4	0.6554	0.6591	0.6628	0.6664	0.6700	0.6736	0.6772	0.6808	0.6844	0.6879
0.5	0.6915	0.6950	0.6985	0.7019	0.7054	0.7088	0.7123	0.7157	0.7190	0.7224
0.6	0.7257	0.7291	0.7324	0.7357	0.7389	0.7422	0.7454	0.7486	0.7517	0.7549
0.7	0.7580	0.7611	0.7642	0.7673	0.7704	0.7734	0.7764	0.7794	0.7823	0.7852
0.8	0.7881	0.7910	0.7939	0.7967	0.7995	0.8023	0.8051	0.8078	0.8106	0.8133
0.9	0.8159	0.8186	0.8212	0.8238	0.8264	0.8289	0.8315	0.8340	0.8365	0.8389
1.0	0.8413	0.8438	0.8461	0.8485	0.8508	0.8531	0.8554	0.8577	0.8599	0.8621
1.1	0.8643	0.8665	0.8686	0.8708	0.8729	0.8749	0.8770	0.8790	0.8810	0.8830
1.2	0.8849	0.8869	0.8888	0.8907	0.8925	0.8944	0.8962	0.8980	0.8997	0.9015
1.3	0.9032	0.9049	0.9066	0.9082	0.9099	0.9115	0.9131	0.9147	0.9162	0.9177
1.4	0.9192	0.9207	0.9222	0.9236	0.9251	0.9265	0.9279	0.9292	0.9306	0.9319
1.5	0.9332	0.9345	0.9357	0.9370	0.9382	0.9394	0.9406	0.9418	0.9429	0.9441
1.6	0.9452	0.9463	0.9474	0.9484	0.9495	0.9505	0.9515	0.9525	0.9535	0.9545
1.7	0.9554	0.9564	0.9573	0.9582	0.9591	0.9599	0.9608	0.9616	0.9625	0.9633
1.8	0.9641	0.9649	0.9656	0.9664	0.9671	0.9678	0.9686	0.9693	0.9699	0.9706
1.9	0.9713	0.9719	0.9726	0.9732	0.9738	0.9744	0.9750	0.9756	0.9761	0.9767
2.0	0.9772	0.9778	0.9783	0.9788	0.9793	0.9798	0.9803	0.9808	0.9812	0.9817
2.1	0.9821	0.9826	0.9830	0.9834	0.9838	0.9842	0.9846	0.9850	0.9854	0.9857
2.2	0.9861	0.9864	0.9868	0.9871	0.9875	0.9878	0.9881	0.9884	0.9887	0.9890
2.3	0.9893	0.9896	0.9898	0.9901	0.9904	0.9906	0.9909	0.9911	0.9913	0.9916
2.4	0.9918	0.9920	0.9922	0.9925	0.9927	0.9929	0.9931	0.9932	0.9934	0.9936
2.5	0.9938	0.9940	0.9941	0.9943	0.9945	0.9946	0.9948	0.9949	0.9951	0.9952
2.6	0.9953	0.9955	0.9956	0.9957	0.9959	0.9960	0.9961	0.9962	0.9963	0.9964
2.7	0.9965	0.9966	0.9967	0.9968	0.9969	0.9970	0.9971	0.9972	0.9973	0.9974
2.8	0.9974	0.9975	0.9976	0.9977	0.9977	0.9978	0.9979	0.9979	0.9980	0.9981
2.9	0.9981	0.9982	0.9982	0.9983	0.9984	0.9984	0.9985	0.9985	0.9986	0.9986
3.0	0.9987	0.9987	0.9987	0.9988	0.9988	0.9989	0.9989	0.9989	0.9990	0.9990
3.1	0.9990	0.9991	0.9991	0.9991	0.9992	0.9992	0.9992	0.9992	0.9993	0.9993
3.2	0.9993	0.9993	0.9994	0.9994	0.9994	0.9994	0.9994	0.9995	0.9995	0.9995
3.3	0.9995	0.9995	0.9995	0.9996	0.9996	0.9996	0.9996	0.9996	0.9996	0.9997
3.4	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9998
3.5	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998	0.9998
3.6	0.9998	0.9998	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999
3.7	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999
3.8	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999	0.9999
3.9	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
4.0	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000



**HERBET CHITEPO SCHOOL OF LAW AND BUSINESS  
SCIENCES**

**DEPARTMENT OF ECONOMICS AND FINANCE**

**MAIN EXAMINATION**

**BACHELOR OF COMMERCE**

**PART 1 SEMESTER 2**

**COURSE**

**QUANTITATIVE ANALYSIS FOR  
BUSINESS/FINANCIAL  
ENGINEERING STATISTICS**

**CODE**

**HBF 126/ HFE 121**

**DATE**

**2024**

**DURATION**

**3 HOURS**

**GREAT ZIMBABWE UNIVERSITY  
EXAMINATIONS OFFICE**

**- - FEB 2025**

**P. O. BOX 1235, MASVINGO,  
ZIMBABWE  
TEL: (039) 266672**

**INSTRUCTIONS TO CANDIDATES**

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## Question 1

For each of the following scenarios, identify, with reasons, whether it is adequate to use only descriptive statistical methods to address the problem situation or whether inferential statistical methods are also needed.

### 1.1 Scenario 1

South Coast Estate Agency wants to determine the average selling price per square metre and size of accommodation of all residential properties in Margate, KwaZulu-Natal. The data from the 25 residential properties sold by their agents, out of the 230 total sales in the area last year, was gathered from deeds of sale documents. [5 marks]

### 1.2 Scenario 2

The owner of the Numbi Restaurant asked a sample of 18 patrons who ate at the restaurant on a particular Saturday evening to complete a short questionnaire to determine their perception of the quality of service and food received that evening. [5 marks]

### 1.3 Scenario 3

The organisers of the Design for Living exhibition held annually at the Good Hope Centre, Cape Town conducted a survey during the latest exhibition by randomly selecting 544 visitors as they left the exhibition hall. The survey's objective was to give the organisers some insight into what the sample of visitors found worthwhile about the exhibition and what innovations, if any, they would like to see at future exhibitions. [5 marks]

### 1.4 Scenario 4

An environmental awareness NGO conducted a study in Nelspruit into consumers' attitudes towards 'green' (i.e. environmentally friendly) household products. A randomly selected sample of 196 shoppers was interviewed on their attitudes towards purchasing 'green' household products. The objective was to estimate the likely percentage of Nelspruit households who would buy 'green' household products. [5 marks]

### 1.5 Scenario 5

Metrorail, the train commuter service in Cape Town, has been working on improving service to its commuters. A random sample of 875 commuters was interviewed recently on trains over a period of a week and asked their opinion on issues of personal safety on trains, comfort, cleanliness, convenience and punctuality. The results of the sample are to be used to measure the improvement in service. [5 marks]

**(25 marks)**

## Question 2

A courier company recorded 30 delivery times (in minutes) to deliver parcels to their clients from its depot. The data is summarised in the numeric frequency distribution and ogive:

Time	Frequency	Cumulative
10 - < 20	3	3
20 - < 30	5	8
30 - < 40	9	17
40 - < 50	7	24
50 - < 60	6	30

2.1 Find the three main measures of central tendency for the data presented above.

[15 marks]

2.2 Calculate the standard deviation and interpret.

[5 marks]

2.3 Find the coefficient of variation and interpret.

[5 marks]

**(25 marks)**

## Question 3

A bank wanted to find out whether the number of loan applications received are influenced by the current loan interest rate. The manager selected 11 monthly periods for which different interest rates applied and recorded the number of loan applications received.

Interest Rate (%)	Loan Applications Received
7	18
6.5	22
5.5	30
6	24
8	16
8.5	18
6	28
6.5	27
7.5	20
8	17
6	21

3.1 Identify the independent variable and the dependent variable.

[3 marks]

3.2 Show the data graphically in a scatter plot. What relationship is observed?

[6 marks]

3.3 Calculate the correlation coefficient between the rate of interest and the number of loan applications received. Comment on the strength of the association.

[5 marks]

3.4 Derive the least squares regression line between the rate of interest and the number of loan applications received.

[8 marks]

3.5 Interpret the meaning of the regression coefficient ( $b$ ) of the independent variable.

[3 marks]

**(25 marks)**

#### **Question 4**

Identify and explain the four main components of time series data. Illustrate using relevant graphs.

**(15 marks)**

#### **Question 5**

Discuss the differences for Laspeyres index and the Paasche Index.

**(10 marks)**

**END OF EXAMINATION**

#### **FORMULAE**

Mean for:

i) Ungrouped data  $= \frac{\sum x}{n}$

ii) Grouped data  $= \frac{\sum fx}{n}$  or  $\frac{\sum f'x}{\sum f'}$

Mode for grouped data  $= L_m + \left( \frac{\Delta_1}{\Delta_1 + \Delta_2} \right) C$

Median for grouped data  $= L_m + \left( \frac{\frac{n}{2} - F}{fm} \right) C$

Standard deviation for ungrouped data  $= \sqrt{\frac{\sum (x - \bar{x})^2}{n - 1}}$

Standard deviation for grouped data  $= \sqrt{\frac{\sum f(x - \bar{x})^2}{n - 1}}$

Coefficient of variation  $= \frac{SD}{\bar{x}} \times 100$

Regression equation  $Y = a + bx$

Parameters i) b  $= \frac{n\sum xy - \sum x \sum y}{n\sum x^2 - (\sum x)^2}$

ii) a  $= \bar{y} - b\bar{x}$

Correlation coefficient (r)  $= \frac{n\sum xy - \sum x \sum y}{\sqrt{n\sum x^2 - (\sum x)^2} \cdot \sqrt{n\sum y^2 - (\sum y)^2}}$

Coefficient of Determinant  $= r^2$

Spearman Rank Correlation coefficient –Rho =  $1 - \frac{6\sum D^2}{N(n^2-1)}$

Simple Price index =  $\frac{P_n}{P_o} \times 100$

Simple Aggregate price index =  $\frac{\sum P_n}{\sum P_o} \times 100$

Indices: Laspyre quantity index =  $\frac{\sum P_o Q_n}{\sum P_n Q_o} \times 100$

Pasche quantity =  $\frac{\sum P_n Q_n}{\sum P_n Q_o} \times 100$

Fischer Index =  $\sqrt{L_q \times P_q}$

Probability: i) Poison Distribution =  $\frac{\frac{x}{n} \cdot e^{-x/n}}{x!}$

ii) Combinations =  $\frac{n!}{r!(n-r)!}$

Interval estimate for population mean  $\sigma$  known:  $\bar{x} \pm z_{\alpha/2} \frac{\sigma}{\sqrt{n}}$

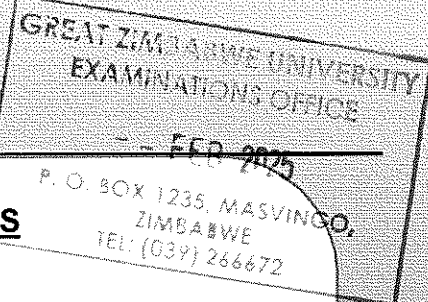
Value of $z_{\alpha/2}$ for the most commonly used confidence intervals			
Confidence level	$\alpha$	$\alpha/2$	$z_{\alpha/2}$
90%	0.1	0.05	1.645
95%	0.05	0.025	1.960
99%	0.01	0.005	2.576



**HEDERT CHITEPO SCHOOL OF LAW AND BUSINESS SCIENCES**  
**DEPARTMENT OF ECONOMICS AND FINANCE**

**MAIN EXAMINATION**

<b>BACHELOR OF COMMERCE</b>	<b>PART 2 SEMESTER 2</b>
<b>COURSE</b>	<b>MARKETING OF FINANCIAL SERVICES</b>
<b>CODE</b>	<b>HBF229</b>
<b>DATE</b>	
<b>DURATION</b>	<b>3 HOURS</b>



**INSTRUCTIONS TO CANDIDATES**

- 1. THE PAPER COMPRISES 5 QUESTIONS.**
- 2. YOU ARE REQUIRED TO ANSWER QUESTION ONE (1) IN SECTION A AND ANY THREE QUESTIONS FROM SECTION B.**
- 3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.**
- 4. NON-PROGRAMMABLE SCIENTIFIC CALCULATORS ARE ALLOWED INTO THE EXAMINATION.**
- 5. CANDIDATES WILL OBTAIN CREDIT FOR SHOWING ALL**

**SECTION A. ANSWER ALL QUESTIONS IN THIS SECTION**

**QUESTION 1**

**Case Study:**

XYZ Financial Services is a leading financial institution that offers a range of services including banking, investment management, insurance, and retirement planning. They want to enhance their marketing strategy by effectively segmenting their customer base, targeting specific segments with tailored offerings, and positioning themselves as the go-to provider for financial services.

1.1 How can XYZ Financial Services segment their customer base effectively?

**6 marks**

1.1 Which customer segments should XYZ Financial Services prioritize as part of their targeting strategy?

**6 marks**

1.3 How can XYZ Financial Services tailor their offerings to meet the needs and preferences of different target segments?

**7 marks**

1.4 How can XYZ Financial Services differentiate themselves from competitors in the financial services industry?

**7 marks**

1.5. What unique value propositions can XYZ Financial Services offer to each target segment?

**7 marks**

1.6. How can XYZ Financial Services communicate its positioning effectively through marketing channels?

**7marks**

**TOTAL 40 MARKS**

## **SECTION B. ANSWER ANY THREE (3) QUESTIONS**

2.1 The marketing concept superseded the production concept and the sales concept. It relies upon marketing research that helps in identification of segments, their sizes, needs, target market and then by using the right "marketing mix". The marketing team then makes such decisions that result in customer satisfaction. In view of this assertion, what are the core ideas contained in the marketing concept?

**7 marks**

2.2 The universality of the service characteristics of intangibility, heterogeneity, inseparability and perishability have been increasingly put under scrutiny in recent years and Gronroos is on the forefront of this. Critique this new view of the universality of service characteristics.

**13 marks**

**TOTAL 20 marks**

### **Question 3**

3.1 Using a financial service provider of your choice, discuss the opportunities and threats that the macro-environment creates for that organisation.

**11 marks**

3.2 Choose a market that you know well (e.g. banking, funeral insurance, mutual funds, pension funds or health insurance etc.) and analyse how it is affected by the five forces as given by Michael Porter.

**9 marks**

**Total 20 Marks**

### **Question 4**

4.1. Whenever you have decided to position your product on the market, whatever position is decided upon, it must satisfy some basic tests of its likely effectiveness.

With reference to a financial service provider of your choice explain these four tests as they were identified by Jobber (2004). **12 marks**

4.2 Discuss the importance of tracking the consumer post buying behaviour to a services company. **8 marks**

**Total 20 Marks**

### **Question 5**

5.1 Determine the environmental factors that have contributed to the growing concern about customer retention and development of customer-base (or relationship) marketing in financial services. **10 marks**

5.2. Discuss the importance of customer care for both internal and external customers in the financial service industry **10 marks**

**Total 20 Marks**

**END OF THE EXAMINATION**



**MUNHUMUTAPA SCHOOL OF COMMERCE  
DEPARTMENT OF BANKING AND FINANCE  
MAIN PAPER**

**BACHELOR OF COMMERCE**

**PART 2 SEMESTER 2**

**COURSE**

**DERIVATIVE SECURITIES**

**CODE**

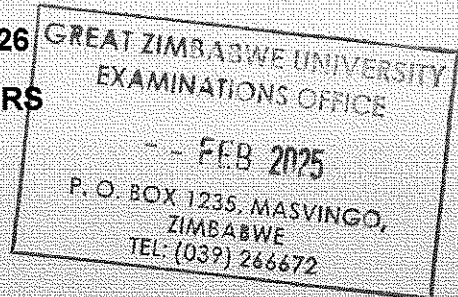
**HBF 226**

**DURATION**

**3 HOURS**

**DATE**

**2024**



**INSTRUCTIONS TO CANDIDATES**

- 1. THE PAPER COMPRISES 5 QUESTIONS.**
- 2. YOU ARE REQUIRED TO ANSWER ANY FOUR QUESTIONS.**
- 3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.**
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### QUESTION 1

1.1 Which one is preferable to an investor, forward contracts or futures contracts? Support your answer. [6 marks]

1.2 Outline any four factors that has led to a tremendous growth in derivatives market [12 marks]

1.3 Expose the main margin requirements specified under futures contracts. [7 marks]

**[TOTAL MARKS: 25]**

### QUESTION 2

2.1 Why do we need a clearing house in exchange traded derivatives? [6 marks]

2.2 An option contract exists on Econet stock with a premium of \$55 and an exercise price of \$560. During the first 8 trading days, Econet stock market price on ZSE was quoted as:

Day	1	2	3	4	5	6	7	8
Price	410	435	505	560	575	615	625	645

Draw the pay-off diagrams for the seller and a buyer of a call option. [10 marks]

2.3 Consider a futures contract that has a life of 180 days, the annual interest rate is 5% and the spot price is \$100. Compute the price of such a futures contract under the following conditions:

i. Continuous compounding. [3 marks]

ii. Continuous compounding with a 2% yield. [3 marks]

iii. Continuous compounding with a 3% carrying cost. [3 marks]

**[TOTAL MARKS: 25]**

### QUESTION 3

3.1 A firm sells a 6x89 FRA with a notional principal of \$200 million and the contract rate is 6.8%. On the settlement date the 3-month LIBOR is 5.2%. How much will the firm receive or pay? [6 marks]

3.2 Determine the price of a put option supposing that asset spot price = 90, exercise price = 90,  $u = 1.20$ ,  $d = 0.70$ , and  $r = 0.05$ . [9 marks]

3.3 Discuss the main features of forward contracts. [10 marks]

**[TOTAL MARKS: 25]**

**QUESTION 4**

4.1 Why are some financial markets not embracing derivative contracts? [10 marks]

4.2 On the maturity date the quoted futures price is \$25, and the spot price is \$30. Is there any arbitrage profit? Design a technique to earn riskless profit. [5 marks]

4.3 From the following market quotes, design a swap as a swap dealer:

	Fixed rate market	Floating rate market
Firm DX	5%	Libor
Firm DB	10%	Libor + 1%

The swap dealer charges 1% commission. Charges and savings are shared equally.

[10 marks]

**[TOTAL MARKS: 25]**

**QUESTION 5**

5.1 Expose the main categories of derivative contracts. [5 marks]

5.2 You are long 20 gold futures contract. The futures price per contract is \$20 and the initial margin is \$10 per contract, whereas the maintenance margin is \$5 per contract.

Mark-to-market your margin account given the following futures settlement prices:

Day	Beginning Bal	Funds deposited	Settlement price	Gain/loss	Ending Bal
-----	---------------	-----------------	------------------	-----------	------------

0			100		
1			99		
2			96		
3			101		
4			102		
5			103		
6			104		

What is your net gain/loss over the 6 day period? *[10 marks]*

5.3 Why is the development of derivative markets very slow in emerging markets?

*[10 marks]*

**[TOTAL MARKS: 25]**

***END OF EXAMINATION***



**MUNHUMUTAPA SCHOOL OF COMMERCE**  
**DEPARTMENT OF BANKING AND FINANCE**

**MAIN EXAMINATION**

<b>B.Com HONS RISK MANAGEMENT</b>	<b>PART 1 SEMESTER 1</b>
<b>COURSE</b>	<b>INTERNAL AUDITING FOR RISK MANAGERS</b>
<b>CODE</b>	<b>HRMI 112</b>
<b>DATE</b>	
<b>DURATION</b>	<b>3 HOURS</b>



**INSTRUCTIONS TO CANDIDATES**

- 1. THE PAPER COMPRISES 4 QUESTIONS.**
- 2. YOU ARE REQUIRED TO ANSWER ALL QUESTIONS.**
- 3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.**
- 4. NON-PROGRAMMABLE FINANCIAL OR SCIENTIFIC CALCULATORS ARE ALLOWED INTO THE EXAMINATION.**
- 5. CANDIDATES WILL OBTAIN CREDIT FOR GIVING APPROPRIATE EXAMPLES WHERE NECESSARY.**

**Question 1 (25 Marks)**

- a) Describe the term “internal auditing aids” explain any three types thereof. (10 marks)
- b) Explain the purpose of working papers to the internal auditor. (8 marks)
- c) Describe kinds of internal audit evidence. (7 marks)

**Question 2 (25 Marks)**

- a) Discuss the four phases followed when efficient and effective internal auditing process (20 marks)
- b) Describe the purpose, Authority and Responsibility as given by the audit charter and standard 1000 (5 marks)

**Question 3 (25 Marks)**

- a) Explain the concepts of governance, risk management, and control that are included in the definition of internal auditing (9 marks)
- b) Dr Thomas Mutsvene is the new audit manager for Sukkot Limited, a company that manufactures heavy machinery. Dr Thomas is an industrial engineer with three years’ work experience. He has recently been transferred to the company’s internal audit department after having completed a number of internal auditing modules with GZU. He is planning his first audit and has asked you to assist him. With reference to the International Standards for the Professional Practice of Internal Auditing (standards), briefly explain what Dr Thomas should consider in planning for the audit in line with standard 2201. (16 marks)

**Question 4 (25 Marks)**

- a) While conducting an internal audit of the security and maintenance facilities of a company’s delivery vehicles, you discover that the company is only using security guards and no other methods to protect their assets, even though, collectively, the vehicles are valued at US \$450 000.

List and explain other preventive, detective and directive controls the company could implement to ensure the effective and efficient physical maintenance and security of its vehicles. (15 marks)

- b) Describe risk based internal auditing (RBIA) approach and its impact on an organisation’s corporate governance. (10 marks)

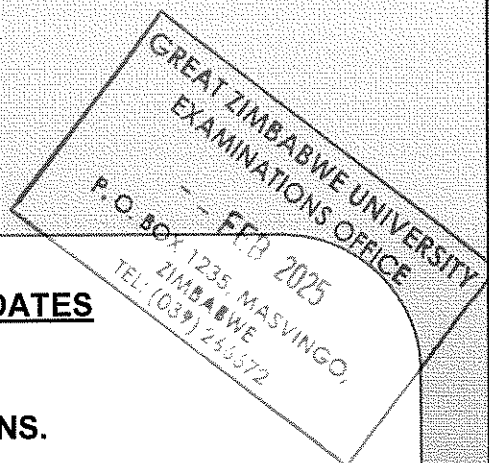
**...END OF EXAMINATION...**



**HERBERT CHITEPO SCHOOL OF LAW AND  
BUSINESS SCIENCES**

**DEPARTMENT OF ECONOMICS AND FINANCE**

<b>BACHELOR OF COMMERCE</b>	<b>PART 2 SEMESTER 1</b>
<b>COURSE</b>	<b>INSURANCE BROKING AND CLIENT SERVICES</b>
<b>CODE</b>	<b>HRMI2210</b>
<b>DATE</b>	<b>2024</b>
<b>DURATION</b>	<b>3 HOURS</b>



**INSTRUCTION TO CANDIDATES**

- 1. THE PAPER COMPRISES 5 QUESTIONS.**
- 2. YOU ARE REQUIRED TO ANSWER ANY FOUR QUESTIONS.**
- 3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.**
- 4. NON-PROGRAMMABLE SCIENTIFIC CALCULATORS ARE ALLOWED INTO THE EXAMINATION.**
- 5. CANDIDATES WILL OBTAIN CREDIT FOR SHOWING ALL WORKINGS.**

### **QUESTION 1**

Explain the rationale for insurance brokers in the insurance market.

[25 marks]

### **QUESTION 2**

2.1 Discuss the role of ethics and corporate governance in insurance broking

[15 marks]

2.2 Identify any five marketing tools used by insurance brokers to acquire business.

[10 marks]

### **QUESTION 3**

3.1 Identify four major areas that a broker will cover with the client when a client reports a claim.

[16 marks]

3.2 Contrast the implied and express contractual duties of brokers in the claims function.

[9 marks]

### **QUESTION 4**

Describe the role of the Zimbabwe Brokers Association (ZIBA), The Insurance Council of Zimbabwe (ICZ) and The Insurance Institute of Zimbabwe (IIZ) in development of the insurance industry in Zimbabwe.

[25 marks]

### **QUESTION 5**

Your colleague Norman is on holidays and the calls from his clients are being transferred to you during this period. At the other end of the telephone is Tsepiso, a long standing client who regularly refers new business to the brokerage. She is calling to complain that Norman did not answer his request for a quote for insurance of her new cottage, the sale is closing tomorrow. Tsepiso is very angry that Norman left her a message on her answering machine asking for additional information when all she asked was that he would provide her with a quote. As a professional broker, you are aware that complaints are a form of communication and the manner in which you act will have a positive or negative effect on Tsepiso and for your brokerage. What considerations will you make and what will you avoid in your conversation with Tsepiso? How will you interact with Tsepiso to ensure a positive outcome?

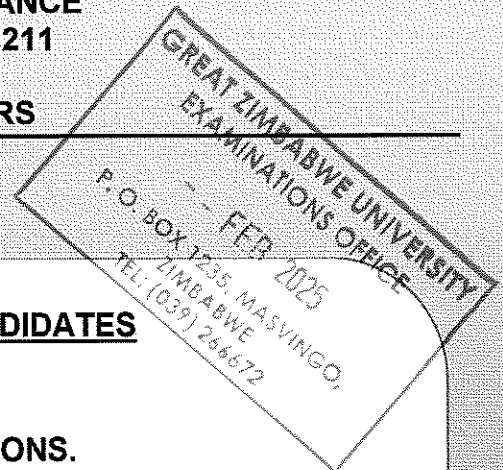
[25 marks]

**END OF EXAMINATION PAPER**



**MUNHUMUTAPA SCHOOL OF COMMERCE**  
**ECONOMICS AND FINANCE**  
**MAIN EXAMINATION**

<b>BACHELOR OF COMMERCE</b>	<b>PART 2 SEMESTER 2</b>
<b>COURSE</b>	<b>HEALTH AND DISABILITY</b>
	<b>INSURANCE</b>
<b>CODE</b>	<b>HRMI 2211</b>
<b>DATE</b>	<b>2024</b>
<b>DURATION</b>	<b>3 HOURS</b>



**INSTRUCTIONS TO CANDIDATES**

- 1. THE PAPER COMPRISES 5 QUESTIONS.**
- 2. YOU ARE REQUIRED TO ANSWER ANY FOUR QUESTIONS.**
- 3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.**
- 4. NON-PROGRAMMABLE FINANCIAL OR SCIENTIFIC CALCULATORS ARE ALLOWED INTO THE EXAMINATION.**
- 5. CANDIDATES WILL OBTAIN CREDIT FOR SHOWING ALL WORKINGS.**

## **QUESTION 1**

1.1 Your company's board of directors has decided to petition the government to alter the tax code such that individuals over the age of 50 who purchase individual PMI policies can claim the premiums paid as a tax deduction.

1.1.1 Discuss the benefits and drawbacks of this premium subsidy system for the state. [10 Marks]

1.2 Outline the key distinctions between short-term and long-term health insurance contracts. [5 Marks]

1.3 Examine the benefits and drawbacks of three (3) common funding methods for state health care systems. [10 Marks]

**[TOTAL 25 MARKS]**

## **QUESTION 2**

2.1 Private medical insurance is unaffordable for most Zimbabwean citizens. Examine the potential causes and propose practical solutions to this issue. [15 Marks]

2.2 Propose and justify two regulatory provisions that could be enforced on health insurance companies in Zimbabwe to enhance consumer protection. [5 Marks]

2.3 Describe the forms of disability covered by a standard disability insurance policy. [5 Marks]

**[TOTAL 25 MARKS]**

## **QUESTION 3**

3.1 In the Zimbabwean market, a new health insurance company is planning to introduce a hospital cash plan. Provide an overview of the potential risk management strategies that this company can employ when managing this product. [8 Marks]

3.2 At this time, long-term care insurance is not offered by health insurers in Zimbabwe. Provide a concise rationale for bringing this product to the market in Zimbabwe.

[8 Marks]

3.3 In the context of critical illness insurance, please define the following terms:

3.3.1 Terminal illness [3 Marks]

3.3.2 Total permanent disablement [3 Marks]

3.3.3 Irreversible [3 Marks]

**[TOTAL 25 MARKS]**

#### **QUESTION 4**

4.1 A health insurance company's chief executive officer is considering a shift in the way the business handles sales commissions and product distribution. Outline three possible approaches to distribution and compensation for the company and advise the MD on them, including the pros and cons of each. [12 Marks]

4.2 There are 2,600 members of the Ujamaha Medical Aid Scheme. The annual premium for health insurance is \$360 per member. The claims paid out by the scheme in 2023 were \$1.2 million. The scheme can invest all of its premiums at a rate of 12.5% per year. Assuming that claims are paid at the end of the year and premiums are paid at the start, calculate whether Ujamaha Medical Aid Scheme made a profit before other loadings in 2023. [5 Marks]

4.3 Analyse the problems caused by health insurance fraud in Zimbabwe and suggest ways to mitigate these challenges. [8 Marks]

**QUESTION 5**

5.1 The question of whether to prioritise group or individual product strategy is being considered by the board of directors of a health insurance company. Your chief executive officer has asked for your written opinion to help the board make a decision. Include a comparison and contrast of the two approaches in your report.

[25 Marks]

**[TOTAL 25 MARKS]**

**END OF EXAMINATION PAPER**



**MUNHUMUTAPA SCHOOL OF COMMERCE**  
**DEPARTMENT OF BANKING AND FINANCE**  
**MAIN EXAMINATION**

<b>B.Com HONS RISK MANAGEMENT</b>	<b>PART 2 SEMESTER 2</b>
<b>COURSE</b>	<b>REINSURANCE</b>
<b>CODE</b>	<b>HRMI 2212</b>
<b>DATE</b>	
<b>DURATION</b>	<b>3 HOURS</b>



**INSTRUCTIONS TO CANDIDATES**

- 1. THE PAPER COMPRISES 4 QUESTIONS.**
- 2. YOU ARE REQUIRED TO ANSWER ALL QUESTIONS.**
- 3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.**
- 4. NON-PROGRAMMABLE FINANCIAL OR SCIENTIFIC CALCULATORS ARE ALLOWED INTO THE EXAMINATION.**
- 5. CANDIDATES WILL OBTAIN CREDIT FOR GIVING APPROPRIATE EXAMPLES WHERE NECESSARY.**

### Question 1 (25 Marks)

- a) Discuss the purpose of the following clauses designed or adapted for surplus share treaties:
- (i) Surplus liability clause (5 marks)
  - (ii) Net retention clause (5 marks)
  - (iii) Retention and limits clause (5 marks)
- b) Explain factors that should be considered in the design of a reinsurance program. (10 marks)

### Question 2 (25 Marks)

- a) Describe the types of pro rata reinsurance and excess of loss reinsurance and their uses. (16 marks)
- b) Explain the following aspects of a reinsurance program:
- (i) Alternative Risk Transfer (ART) (3 marks)
  - (ii) Retrocession (2 marks)
  - (iii) Automatic treaty (2 marks)
  - (iv) Reinsurance basis risk (2 marks)

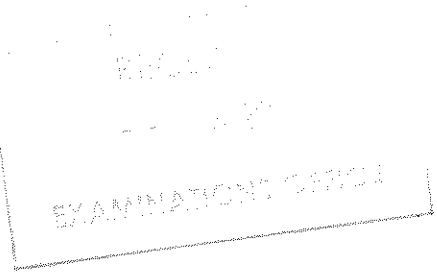
### Question 3 (25 Marks)

- a) Outline and describe the approaches an insurer takes to understand the financial effects of reinsurance. (12 marks)
- b) Confirm how reinsurance arrangements are treated for accounting purposes in Zimbabwe. Explain why it may be to the disadvantage of an insurer if a purported reinsurance arrangement is not accounted for as reinsurance. (13 marks)

### Question 4 (25 Marks)

- a) Describe treaty reinsurance and facultative reinsurance. (7 marks)
- b) Explain why reinsurance audits are conducted. (6 marks)
- c) Describe the following alternatives to traditional catastrophe reinsurance:
- (i) Industry loss warranties (3 marks)
  - (ii) Catastrophe bonds (3 marks)
  - (iii) Catastrophe options (3 marks)
  - (iv) Reinsurance sidecars (3 marks)

...END OF EXAMINATION...



**HEBERT CHITEPO SCHOOL OF LAW AND BUSINESS SCIENCES**

**DEPARTMENT OF ECONOMICS AND FINANCE**

**MAIN EXAMINATION**

**BACHELOR OF COMMERCE DEGREE**

**PART 4 SEMESTER 1**

**PUBLIC FINANCE**

**HEF413**

**DATE**

**2024**

**DURATION**

**3 HOURS**

**INSTRUCTIONS TO CANDIDATES**

- 1. Answer any four questions*
- 2. All questions carry equal marks*
- 3. Start each answer on a fresh page*
- 4. Show all workings, where applicable*

**QUESTION 5**

(a) Considering Zimbabwe's goal to achieve an upper middle-income category by 2030, discuss the advantages and disadvantages of devolution. [16 marks]

(b) Discuss the benefits and drawbacks of tax incentives to the Zimbabwean government.

[9 marks]

**[Total 25 marks]**

**END OF EXAMINATION**



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**DEPARTMENT OF ECONOMICS AND FINANCE**

**BACHELOR OF COMMERCE DEGREE**

**LEVEL 1 SEMESTER 1**

**EXAMINATION QUESTION PAPER**

<b>MODULE CODE</b>	<b>HEC115/HEC118</b>
<b>MODULE NARRATION</b>	<b>ECONOMIC PRINCIPLES 1/PRINCIPLES OF MICROECONOMICS</b>
<b>DATE</b>	<b>2024</b>
<b>DURATION</b>	<b>3 HOURS</b>

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**INSTRUCTIONS TO CANDIDATES:**

1. Answer any four questions
2. All questions carry equal marks
3. Start each answer on a fresh page
4. Show all workings where applicable

### QUESTION 3

- (a) Explain the difference between cardinal utility and ordinal utility. [4 marks]
- (b) Suppose a consumer is consuming two goods, X and Y. Using the utility theory of consumer behaviour, explain how the consumer reaches a point of equilibrium (maximizes utility). [12 marks]
- (c) Given the equilibrium in (b) above, suppose the price of good X falls, ceteris paribus. Show how this affects the consumer's equilibrium. Hence, explain why the demand for good X downward sloping is. [9 marks]

[Total 25 marks]

### QUESTION 4

- (a) Explain with numerical and/or graphical illustrations, the shutdown rule in production economics. [10 marks]
- (b) Explain the difference between marginal returns and returns to scale. [5 marks]
- (c) Using the envelop theorem, derive a firm's long run average total cost curve (LATC).

[10 marks]

[Total 25 marks]

### QUESTION 5

- (a) Explain and illustrate a competitive firm's profit maximizing rule. [5 marks]
- (b) With the aid of diagrams, explain the short run and long run market equilibrium conditions for a firm under a monopolistic competitive market structure. [13 marks]

[Total 25 marks]

**END OF EXAMINATION**



**MUNHUMUTAPA SCHOOL OF COMMERCE**  
*Department of Management Studies*

**EXAMINATION PAPER**

**BACHELOR OF COMMERCE**

**PART 2 SEMESTER 1**

**MODULE NARRATION**

**ENTREPRENEURSHIP THEORY AND  
PRACTICE**

**CODE**

**HBM217**

**DATE**

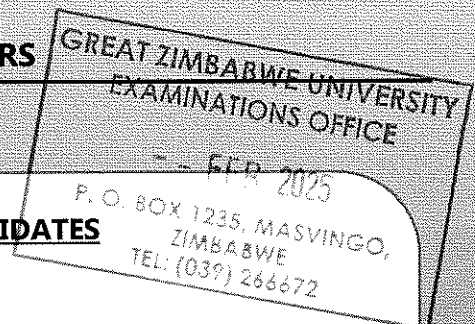
**2024**

**DURATION**

**3 HOURS**

**INSTRUCTIONS TO CANDIDATES**

1. ANSWER ANY **FOUR (4)** QUESTIONS
2. **ALL** QUESTIONS **CARRY 25 MARKS** EACH
3. AS MUCH AS POSSIBLE **CITE RELEVANT** EXAMPLES



### **QUESTION 1**

A friend has come up to you for advice. She has been contemplating starting a new venture for some time now, and after 15 years of being employed in the corporate sector, she has finally decided to pursue her dream of starting a wellness centre with a focus on healthy living. However, she is still a little hesitant and is hoping to learn more about the positive effects of entrepreneurship. Help her decide why she should undertake this process. (25 marks)

### **QUESTION 2**

With the aid of examples, examine the social network theory of entrepreneurship (25marks)

### **QUESTION 3**

Using examples, analyse roles and functions of key members of an entrepreneurship ecosystem (25 marks)

### **QUESTION 4**

Detail the three general approaches entrepreneurs use to identify opportunities. (25 marks)

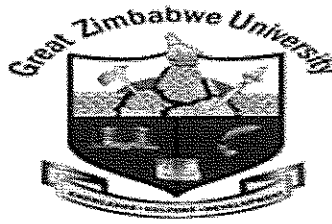
### **QUESTION 5**

Explain the four major components of the Barringer/Ireland Business Model Template that entrepreneurs can use to develop a business model for their firm. (25 marks)

### **QUESTION 6**

Provide an overview of the business licenses and permits that a start-up must obtain before it begins operating. (25 marks)

**End of examination!**



**MUNHUMUTAPA SCHOOL OF COMMERCE**  
*Department of Management Studies*

**BACHELOR OF COMMERCE**

**PART 2 SEMESTER 2**

**MODULE NARRATION**

**BUSINESS RESEARCH  
METHODS**

**CODE**

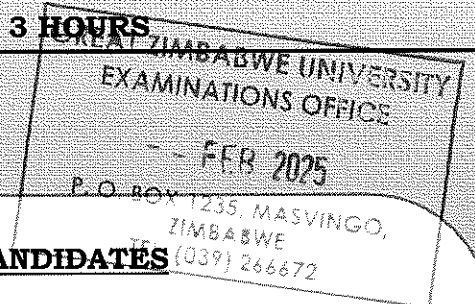
**HBM225**

**DATE**

**2024**

**DURATION**

**3 HOURS**



**INSTRUCTIONS TO CANDIDATES**

1. Answer **any four questions**.
2. Each question carries 25 marks.
3. Start each question on a fresh page
4. Credit will be given for logical, systematic, and neat presentations.

### **QUESTION 1**

Explain any **five (5)** characteristics of scientific research **(25 marks)**

### **QUESTION 2**

Examine the major functions of a literature review in business research **(25 marks)**

### **QUESTION 3**

Using examples, differentiate the following:

- a) Directional and non-directional hypotheses **(5 marks)**
- b) Stratified sampling and quota sampling **(10 marks)**
- c) Ordinal scale and nominal scale **(10 marks)**

### **QUESTION 4**

Discuss any five (5) common research gaps **(25 marks)**

### **QUESTION 5**

Examine the ethical obligations of decision makers in business research **(25 marks)**

### **QUESTION 6**

Explain when and how to use a *t*-test, ANOVA (analysis of variance), and *Chi-square* to examine hypotheses. **(25 marks)**



**HEBERT CHITEPO SCHOOL OF LAW AND BUSINESS SCIENCES**

**DEPARTMENT OF ECONOMICS & FINANCE**

**MAIN EXAMINATION**

**BACHELOR OF COMMERCE DEGREE**

**PART 1 SEMESTER 1**

**PRINCIPLES OF ECONOMICS**

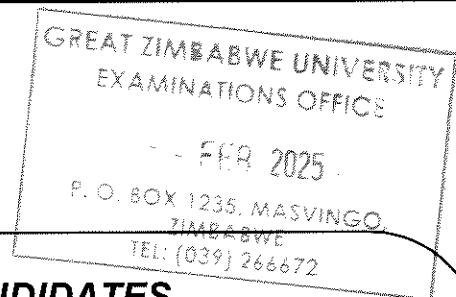
**HEC114**

**DATE**

**2024**

**DURATION**

**3 HOURS**



**INSTRUCTIONS TO CANDIDATES**

- 1. Answer any four questions*
- 2. All questions carry equal marks*
- 3. Start each answer on a fresh page*
- 4. Show all workings, where applicable*

## QUESTION 1

(a) Critically discuss any five justifications for government intervention in market operations.

[10 marks]

(b) Discuss the five-sector circular flow model of expenditures and income. [9 marks]

(c) Briefly discuss factors that affect the supply for healthcare in Zimbabwe. [6 marks]

[Total 25 marks]

## QUESTION 2

(a) Discuss, using clearly labelled diagrams, the income and substitution effects for inferior goods. [8 marks]

(b) Using clearly labelled diagrams, discuss the relationship between total product, average product and marginal product curves, indicating the following points: maximum average productivity, point of diminishing marginal productivity and point of diminishing average productivity. [9 marks]

(c) Discuss, giving examples, the tragedy of the commons and explain how the problem might be resolved. [8 marks]

[Total 25 marks]

## QUESTION 3

(a) With the aid of clearly labelled diagrams, explain the main distinctions between a pure monopolist and a firm operating under monopolistic competitive market. [12 marks]

(b) With the help of a clearly labelled diagram, discuss the impact of a subsidy on consumer and producer surpluses, product price and quantity demanded. [8 marks]

(c) Explain the importance of understanding the concept of elasticity of demand to Masvingo City Council. [5 marks]

[Total 25 marks]

## QUESTION 4

(a) Explain the major factors influencing the rate of capital flight in Zimbabwe. [9 marks]

(b) Discuss the various ways that can be used by the Government of Zimbabwe to promote innovation and industrialisation. [7 marks]

- (c) Describe the monetary and fiscal measures that could be taken to increase the country's competitiveness advantage. [9 marks]

**[Total 25 marks]**

### **QUESTION 5**

- (a) Discuss the three primary instruments used by central banks to control money supply.

[9 marks]

- (b) Discuss the justifications for trade protectionism, using examples that are relevant to the situation in Zimbabwe.

[9 marks]

- (c) Differentiate between trade creation and trade diversion.

[7 marks]

**[Total marks 25]**

**END OF EXAMINATION**



# MUNHUMUTAPA SCHOOL OF COMMERCE

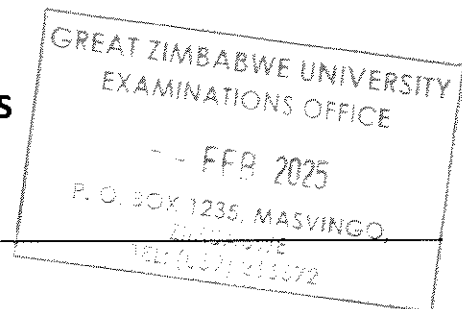
DEPARTMENT OF ECONOMICS

**BACHELOR OF COMMERCE DEGREE**

**LEVEL 1 SEMESTER 2**

**EXAMINATION QUESTION PAPER**

<b>MODULE CODE</b>	<b>MEC524</b>
<b>MODULE NARRATION</b>	<b>ECONOMICS RESEARCH AND COMPUTER APPLICATIONS</b>
<b>DATE</b>	<b>2024</b>
<b>DURATION</b>	<b>3 HOURS</b>



**INSTRUCTIONS TO CANDIDATES:**

1. Answer any four questions
2. All questions carry equal marks
3. Start each answer on a fresh page
4. Show all workings, where applicable

### QUESTION 1

- 1.1 Expose the rationale behind literature review. [10 marks]
- 1.2 Discuss the features of a good research. [8 marks]
- 1.3 What determines the statistical or econometric model to use when analyzing data?  
[7 marks]

**[TOTAL MARKS: 25]**

### QUESTION 2

You are the Chief Research Officer of DXT Consultancy, a reputable research institute. Your director brings good news that the institute has been shortlisted for a lucrative research tender from an international think-tank organization. The theme of the research is "International Trade and Poverty: The Role of Institutional quality". Given the size and importance of the tender, the institute has recruited research assistants. The director asks you to train them on how to write a winning research proposal. Prepare a presentation write up highlighting the following areas:

- (a) Introduction and background and background of the study. [5 marks]
- (b) Research problem. [5 marks]
- (c) Research objective(s). [5 marks]
- (d) Research contribution(s). [5 marks]
- (e) Research methodology. [5 marks]

**[TOTAL MARKS: 25]**

### QUESTION 3

The following is a copy of a LOG-FILE given to you by your research assistant for presentation to the board of directors. Explain the instruction given by the syntax and comment on the results.

(i) `xtunitroot ips roe`

[5 marks]

```
. xtunitroot ips roe

Im-Pesaran-Shin unit-root test for roe
-----
Ho: All panels contain unit roots      Number of panels =      7
Ha: Some panels are stationary         Number of periods =    13

AR parameter: Panel-specific           Asymptotics: T,N -> Infinity
Panel means:   Included                 sequentially
Time trend:    Not included

ADF regressions: No lags included
-----
```

	Statistic	p-value	Fixed-N exact critical values		
			1%	5%	10%
t-bar	-1.7675		-2.380	-2.110	-1.980
t-tilde-bar	-1.5854				
Z-t-tilde-bar	-0.9525	0.1704			

(ii) `varsoc lninv lninc`

[5 marks]

Selection-order criteria

Sample: 1960q4 - 1982q4

Number of obs = 89

lag	LL	LR	df	p	FPE	AIC	HQIC	SBIC
0	33.3402				.001695	-.704274	-.681732	-.648349
1	427.641	788.6*	4	0.000	2.6e-07*	-9.47509*	-9.40746*	-9.30731*
2	430.826	6.3684	4	0.173	2.7e-07	-9.45675	-9.34405	-9.17713
3	433.83	6.0082	4	0.199	2.7e-07	-9.43437	-9.27658	-9.0429

Endogenous: ln\_inv ln\_inc

Exogenous: \_cons

**(iii) vecrank ln\_inv ln\_inc, trend(constant) lags(1) max**

**[5 marks]**

Johansen tests for cointegration

Trend: constant

Number of obs = 91

Sample: 1960q2 - 1982q4

Lags = 1

---

maximum				trace	5%
rank	parms	LL	eigenvalue	statistic	critical
0	2	428.78623	.	15.9087	15.41
1	5	434.48144	0.11765	4.5183	3.76
2	6	436.74057	0.04844		

**(iv) var ln\_inv ln\_inc, lags(1/1)**

**[10 marks]**



### QUESTION 5

5.1 Explain, with the aid of examples, the difference between the following terms:

- (i) Research methodology and research methods. *[4 marks]*
- (ii) Moderating and mediating variable. *[4 marks]*
- (iii) Fixed effect and random effects model. *[4 marks]*

5.2 Expose and explain the research process to be considered when carrying out research. *[13 marks]*

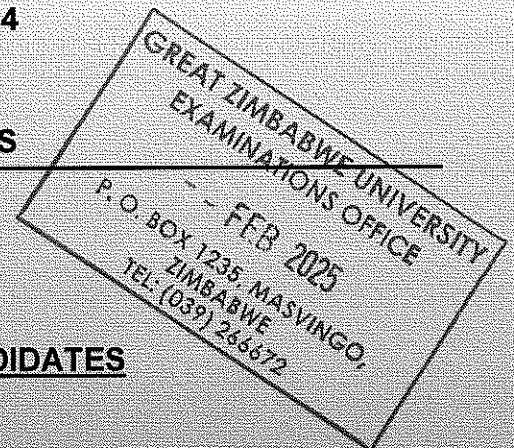
**[TOTAL MARKS: 25]**

**END OF EXAMINATION**



**MUNHUMUTAPA SCHOOL OF COMMERCE**  
**DEPARTMENT OF BANKING AND FINANCE**  
**MAIN EXAMINATION**

<b>BACHELOR OF COMMERCE</b>	<b>PART 1 SEMESTER 1</b>
<b>COURSE</b>	<b>INTRODUCTION TO RISK MANAGEMENT, FINANCIAL MARKETS AND INSTITUTIONS</b>
<b>CODE</b>	<b>HRMI 114</b>
<b>DATE</b>	<b>2024</b>
<b>DURATION</b>	<b>3 HOURS</b>



**INSTRUCTIONS TO CANDIDATES**

- 1. THE PAPER COMPRISES 5 QUESTIONS.**
- 2. YOU ARE REQUIRED TO ANSWER ANY FOUR QUESTIONS.**
- 3. BEGIN THE ANSWER TO EACH QUESTION ON A FRESH PAGE OF THE ANSWER BOOKLET.**
- 4. NON-PROGRAMMABLE FINANCIAL OR SCIENTIFIC CALCULATORS ARE ALLOWED INTO THE EXAMINATION.**
- 5. CANDIDATES WILL OBTAIN CREDIT FOR SHOWING ALL WORKINGS.**

**QUESTION 1:**

- a) What is risk? (5 marks)
- b) Describe the four major categories of risk classification. (10 marks)
- c) Using the 8Rs and 4Ts of hazard risk management, describe the basic explanation of the risk management process. (10 marks)

**QUESTION 2:**

- a) Why are more funds from property and casualty insurance companies than funds from life insurance companies invested in the money markets? (10 marks)
- b) Which of the money market securities is the most liquid and considered the most risk-free? Why? (5 marks)
- c) Distinguish between competitive bidding and non-competitive bidding for Treasury securities. (10 marks)

**QUESTION 3:**

- a) Distinguish between the primary market and the secondary market for securities. (10 marks)
- b) A bond provides information about its par value, coupon interest rate, and maturity date. Define each of these. (15 marks)

**QUESTION 4:**

- a) If the Reserve Bank of Zimbabwe prints money to reduce unemployment, what will happen to the value of the Zimbabwean dollar in the short run and the long run? (10 marks)
- b) "A country is always worse off when its currency is weak (falls in value)." Is this statement true, false, or uncertain? Explain your answer. (15 marks)

**QUESTION 5:**

- a) What is the purpose behind reinsurance? (5 marks)
- b) What is the difference between term life insurance and whole life insurance? (10 marks)
- c) What risks do property and casualty insurance policies protect against? (10 marks)



# HERBERT CHITEPO SCHOOL OF LAW & BUSINESS SCIENCES

DEPARTMENT OF ECONOMICS AND FINANCE

**MASTER OF COMMERCE DEGREE**

**LEVEL 1 SEMESTER 2**

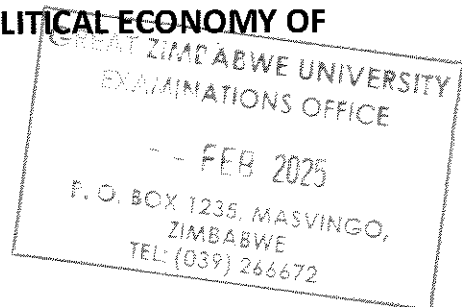
**EXAMINATION QUESTION PAPER**

**MODULE CODE** MED524

**MODULE NARRATION** INTERNATIONAL POLITICAL ECONOMY OF  
DEVELOPMENT

**DATE**

**DURATION** 3 HOURS



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**INSTRUCTIONS TO CANDIDATES:**

1. Answer any **four** (4) questions.
2. All question carry equal marks.
3. Start each answer on a fresh page.
4. Show all workings, where applicable.

### **QUESTION 1**

Evaluate various measures and indicators of economic development.

**[Total 25 marks]**

### **QUESTION 2**

Discuss the economic, social, and political importance of international trade in present world economic order.

**[Total 25 marks]**

### **QUESTION 3**

(a) State and explain the fundamental factors that affect the process of globalization.

[15 marks]

(b) State and evaluate important dimensions of economic integration.

[10 marks]

**[Total 25 marks]**

### **QUESTION 4**

(a) Giving practical examples, explain the Poverty-Growth-Inequality Triangle model by François Bourguignon.

[10 marks]

(b) How relevant is the model in (a) above in describing the current status of African countries?

[15 marks]

**[Total 25 marks]**

### **QUESTION 5**

Evaluate the key factors that influence and affect the well-functioning of the global economy.

**[Total 25 marks]**

**END OF EXAMINATION**



**HERBERT CHITEPO SCHOOL OF LAW AND BUSINESS SCIENCES  
DEPARTMENT OF ECONOMICS AND FINANCE**

**SUPPLEMENTARY EXAMINATION**

**BACHELOR OF COMMERCE DEGREE**

**PART 1 SEMESTER 2**

**MODULE**

**ENVIRONMENTAL DEVELOPMENT THEORY  
AND POLICY**

**MODULE CODE**

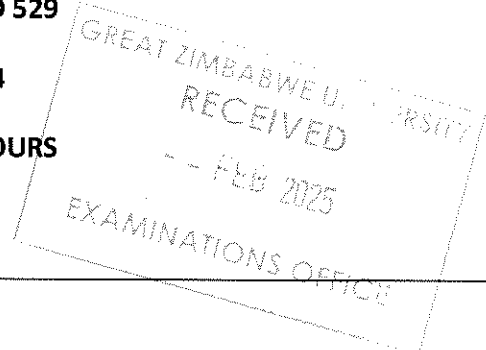
**MED 529**

**DATE**

**2024**

**DURATION**

**3 HOURS**



***INSTRUCTIONS TO CANDIDATES***

- 1. Answer any four questions*
- 2. All questions carry equal marks*
- 3. Start each answer on a fresh page*
- 4. Show all workings, where applicable*

**QUESTION 1**

Ideas for sustainable development are inevitably controversial. Discuss.

[Total 25 marks]

**QUESTION 2**

Political Economy studies the relationship among persons and political, cultural, and economic institutions. One fact of political economy is that the poor, have always been a component part. Discuss.

[Total 25 marks]

**QUESTION 3**

Differences in economic development has been explained as path dependent products of a colonial legacy. Discuss.

[Total 25 marks]

**QUESTION 4**

- a) Discuss the underlying reasons for the shift toward greater market-orientation globally and in major economies since the late 1970s. [12 marks]
- b) Discuss lessons that can be learnt from Asian development experiences on the role of markets and the state. [13 marks]

[Total 25 marks]

**QUESTION 5**

Explain why natural resource management and environmental issues should be included in the development of responses to fragility.

[Total 25 marks]

**END OF EXAMINATION**

a



**HERBERT CHITEPO SCHOOL OF LAW AND BUSINESS SCIENCES**

**DEPARTMENT OF ECONOMICS AND FINANCE**

**SUPPLEMENTARY EXAMINATION**

**MASTER OF COMMERCE DEGREE IN ENVIRONMENTAL AND DEVELOPMENT  
ECONOMICS** **PART 1 SEMESTER 2**

**MACROECONOMICS MODELS AND POLICY** **MED528**

**DATE** **2025**

**DURATION** **3 HOURS**

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- FEB 2025

**INSTRUCTIONS TO CANDIDATES**

EXAMINATIONS OFFICE

1. *Answer any four questions*
2. *All questions carry equal marks*
3. *Start each answer on a fresh page*
4. *Show all workings, where applicable*

## QUESTION 1

The Research and Development (R&D) Growth Model explains economic growth by treating technological progress as endogenous to the economic system. The model is based on the following production functions.

*Goods market production function*

$$Y(t) = [(1 - a_k)K(t)]^\alpha [A(t)(1 - a_L)L(t)]^{1-\alpha} \quad (1)$$

Where  $Y(t)$ ,  $K(t)$  and  $L(t)$  represent output, capital and labour at time  $t$  respectively.  $\alpha$  is the elasticity of capital.  $a_k$  and  $a_L$  is the fraction of capital and labour used in the R&D sector.

*Knowledge production function*

$$\dot{A}(t) = B[(a_K)K(t)]^\beta [a_L L(t)]^\gamma A(t)^\theta \quad (2)$$

Where  $A(t)$  is the stock of knowledge at time  $t$ ,  $B$  is a shift parameter,  $\beta$  and  $\gamma$  are elasticities of capital and labour respectively while  $\theta$  reflects the effects of existing stock of knowledge on the success of R&D.

- (i) Explain the assumptions underlying the production functions (1) and (2). [5 marks]
- (ii) To explain the dynamics of technology, the model can be analysed without capital. Express the production functions (1) and (2) for the model without capital. [4 marks]
- (iii) By expressing the goods market production function without capital in per capita terms, show that  $y(t) = A(t)$  and comment. [4 marks]
- (iv) The growth rate of technology growth  $g_A$ , is given by:

$$\frac{\dot{g}_A(t)}{g_A(t)} = \gamma n + (\theta - 1)g_A(t) \quad (3) \quad \text{where} \quad g_A(t) = \frac{\dot{A}(t)}{A(t)}, \text{ and } n \text{ is an exogenous and constant rate of population growth}$$

Explain the effect of technological progress on economic growth under the following conditions;  $\theta < 1$  and  $\theta > 1$  [6 marks]

- (v) Discuss the weakness of this economic growth model. [6 marks]

**[Total 25 marks]**

## QUESTION 2

- (a) Explain the following terms:
- (i) Macroeconomic models [5 marks]
  - (ii) Macroeconomic policies. [5 marks]
- (b) Discuss the usefulness of the Misperceptions theory in macroeconomics policy formulation, implementation and analysis. [15 marks]

[Total 25 marks]

## QUESTION 3

The following shows the Ramsey per-capita production function:

$$f(k_t) = c_t + \frac{dk_t}{dt} + nk_t \quad (1)$$

Where  $f(k_t)$  is output per worker,  $c_t$  is per-capita consumption,  $k_t$  is the per-capita capital-labour ratio

- (a) Explain the assumptions underlying the per-capita production function. [5 marks]
- (b) A representative social planner seeks to maximise discounted instantaneous lifetime utility subject to income in (1). The optimisation problem is given by the Hamiltonian function:

$$H_t = U(c_t)e^{-\theta t} + \mu_t[f(k_t) - c_t - nk_t] \quad (2)$$

Where  $\theta$  is the rate of time preference,  $\mu_t = \frac{\lambda_t}{e^{-\theta t}}$  is the co-state variable associated with state variable  $k$  and shows the marginal value of capital at time  $t$ .

The optimal path of consumption is given by the following conditions:

$$\frac{\partial H_t}{\partial c} = 0 \quad (3)$$

$$\frac{\partial \mu_t}{\partial t} = \frac{-\partial H_t}{\partial k} \quad (4)$$

- (i) Use equation (1) to derive and comment on the steady state golden rule of capital accumulation. [5 marks]
- (ii) Using conditions (3) and (4), solve the Hamiltonian function (2) and therefore derive and comment on the steady state modified golden rule of capital accumulation. [10 marks]
- (iii) Compare the implications of the rules in (i) and (ii) on steady state per-capita consumption. [5 marks]

[Total 25 marks]

#### QUESTION 4

- (a) Compare and contrast the Keynesian and Monetarist schools of thought. [15 marks]
- (b) Discuss the Lucas Critique and evaluate its contribution to modern day economic thinking. [10 marks]

[Total 25 marks]

#### QUESTION 5

- (a) Discuss the Malthusian growth model, demonstrating how it can be used as a tool for developing countries to formulate growth-oriented policies. [10 marks]
- (b) Discuss the policy implications derived from the expectations-augmented Philips curve. [15 marks]

[Total 25 marks]

**END OF EXAMINATION**