



(Knowledge for Development)

KIBABII UNIVERSITY

**UNIVERSITY EXAMINATIONS
2020/2021 ACADEMIC YEAR
THIRD YEAR SECOND SEMESTER
SPECIAL/SUPPLEMENTARY EXAMINATION
FOR THE DEGREE OF BACHELOR OF COMMERCE**

COURSE CODE: BCF 352E
COURSE TITLE: DEVELOPMENT FINANCE

DATE: 11TH FEBRUARY, 2021

TIME: 8.00AM - 10.00AM

INSTRUCTIONS TO CANDIDATES

Answer Question One in Section A and Any other TWO (2) Questions in Section B

TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

This Paper Consists of 2 Printed Pages. Please Turn Over. ►

QUESTION ONE

- i) Explain 5 main sources of finance to your county. 10 marks
- ii) Explain the rampant failure of development projects in developing countries. 10 marks
- iii) Explain five principles of national debt management 10 marks
 - a) Define the terms below
 - i) Development finance 2 marks
 - ii) Innovative finance 2 marks
 - iii) Micro financing 2 mark
 - b) Discuss the role played by ICDC in Kenya's economic development 9 marks

QUESTION TWO

- a) Explain limitations of public borrowing to finance a deficit budget. 5 marks
- b) Discuss five weaknesses associated with foreign aid. 10 marks

QUESTION THREE

Assume that you have been appointed to advise the Kenyan government on how to liberalize the financial markets. Make a reasoned advice you would give. 20 marks

QUESTION FOUR

- i) Discuss reasons why many developing countries have failed to mobilize finance for their development projects. 10 marks
- ii) Explain the common constraints of the national budget in Kenya. 10 marks