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(Knowledge for Development)

KIBABII UNIVERSITY
UNIVERSITY EXAMINATIONS
2019/2020 ACADEMIC YEAR
FOURTH YEAR SECOND SEMESTER
MAIN EXAMINATION

FOR THE DEGREE OF BCOM AND BBM (EVENING GROUP)

COURSE CODE: BCF 411/BBA 411 / BCF 412V

COURSE TITLE: ASSET MANAGEMENT

DATE: 7 DECEMBER, 2023 TIME: 2.00 - 4.00 p.m

INSTRUCTIONS TO CANDIDATES

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

TIME: 2 Hours

KIBUCO observes ZERO tolerance to examination cheating

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

QUESTION ONE

- a) What do you understand by the terms as used in asset management;
 - i) pension fund (2 mark)
 - ii) Mortgage (2 mark)
 - iii) Money market fund (2 mark)
 - iv) Investment Trust (2 mark)
 - v) Mutual fund (2 mark)
- b) Assets management involves investment in real estate which is greatly affected by taxes in their development. Explain clearly some of the consultancy cost associated to real estate investment in Kenya (6 marks)
- c) List and explain key players in Real Estate Investment Trusts (REITs) (4 marks)
- d) Describe the cases for and against mutual funds as a fund manager to an investor. (10 marks)

QUESTION TWO

- a) A REIT manager provides management services of real estate investment. As an expert clearly explain to an investor who wants to take part in real estate investment the benefits of REITS. (10 marks)
- b) Discuss the role of asset management to pension schemes in your country (4 marks)
- c) Explain with examples the main sources of long term finances to institutional investors (6 marks)

QUESTION THREE

- a) Highlight at least five main environmental objectives for sustainable investment (5 marks)
- b) XYZ Insurance Limited has appointed you as a portfolio manager. Clearly explain to potential investor to understand the meaning of assets under management. (5 marks)
- c) Describe the main role of pension fund manager. (4 marks)
- d) Name and explain different taxonomy of mutual fund. (6 marks)

QUESTION FOUR

- a) Briefly describe what you understand by the term hedge fund as a type of Investment

Fund. (4 mark)

b) Discuss some of the key issues affecting corporate governance that must be considered by investors to contribute towards sustainable investment. (10 marks)

c) Is it worthwhile to invest in Money Market Fund? Elaborate this statement.

(6 marks)

QUESTION FIVE

a) Most asset managers have a portion of their compensation tied to the performance of the portfolios they manage. Does this arrangement create unethical dilemma for the manager. Discuss. 10 marks

b) Sovereign wealth funds have grown rapidly in recent years in both numbers and assets emerging as significant players in the capital markets. Account for this trend of SWFS within the global market. 10 marks