

 **INTI International
University & Colleges**

**FINAL
Examination Paper**

(COVER PAGE)

Session : January 2018

Programme : Diploma In Finance

Course : **FIN2153: FUNDAMENTALS OF BANKING**

Date of Examination : 6th March 2018 (Tuesday)

Time : 8:00am-10:00am Reading Time : Nil

Duration : 2 Hours

Special Instructions :

This paper consists of SIX (6) questions. Answer any FOUR (4) questions in the answer booklet provided. All questions carry equal marks.

Materials permitted : Non-Programmable Calculator

Materials provided : Answer Booklet

Examiner(s) : Ms. Eunice Mok Pei Sea

Moderator : Ms. Lim Tan Chin

This paper consists of 2 printed pages, including the cover page

DIPLOMA IN FINANCE (DIF)
FIN2153: FUNDAMENTALS OF BANKING
RESIT EXAMINATION: January 2018 SESSION

Instructions: This paper consists of **SIX (6)** questions. Answer any **FOUR (4)** questions in the answer booklet provided. All questions carry equal marks.

1. Banks face an assortment of risks. List and define **Five (5)** types of risks, and provide counter measures to overcome those risks. (25 Marks)
2. List and define Five (5) non-depository institutions. (You are required to provide examples, sources of funds, primary uses of funds and services provided) (25 Marks)
3. A. What is the objective of Banking and Financial Institutions Act, 1989 (BAFIA)? Who are covered under BAFIA? (10 Marks)
B. Money Laundering is a very serious offence. Discuss Three (3) stages of money laundering process. (15 Marks)
4. Define the followings with relevant examples in financial markets context:
 - a. Bank run (5 Marks)
 - b. Liquidity (4 Marks)
 - c. Insolvency (4 Marks)
 - d. Compute the followings: (Ref: Chapter #1 - Time has value)
 - i. Present value of \$6,000 annual cash inflows over the next 10 years with nominal interest rate of 10% pa. (3 Marks)
 - ii. Future value of \$6,000 annual cash savings over the next 15 years with nominal interest rate of 8% pa. (3 Marks)
 - iii. You are planning to buy a Ducati bike costing \$80,000 with 100% borrowing from the bank. If the bank offers you interest rate of 3.6% per annum over the next 5 years, how much do you need to repay every month (Assuming interest is monthly rest and the loan is on amortisation method) . Compute the total repayment and total interest charges incurred for the purchase of above Ducati bike. (6 Marks)
5. Define monetary policy and discuss Five (5) instruments of monetary policy. (25 Marks)
6. A. Define “consumer credit. (5 Marks)
B. Explain the credit screening process for loan application in Malaysia. (10 Marks)
C. Discuss the advantages and disadvantages of consumer credit. (10 Marks)