

Exam Revision Questions

1. Briefly discuss the National Credit Regulator (NCR) role under consumer protection and as a regulator
2. Discuss the role of Banking Association South Africa in the banking sector.
3. What do you understand about National Credit Act (NCA 34 of 2005)?
4. South African financial system is regarded as one of the best in the world. Why?
5. Briefly discuss the components of money.
6. What are the functions of money in the economy?
7. Briefly describe credit market participants and their role in the economy.
8. What is meant by financial intermediation and why has it become so important in today's financial systems?
9. Discuss potential problems of financial intermediaries.
10. Who are the main players in the financial intermediation process and what role do each of the institutions mentioned play in the process?
11. Differentiate between commercial banks and mutual banks and also give examples.
12. Define prime rate and also indicate the current rate?
13. What is the current inflation rate?
14. Differentiate between repo rate and inflation?
15. Discuss the objectives of monetary policy?
16. Explain the role of the Reserve bank as a banker and advisor to Government.
17. What are the effects of an increase in the supply of money on interest rates, prices and output? Do these effects occur simultaneously?
18. Discuss main determinates of interest rates.
19. Given the ingenuity of criminals and their ability to diverse new methods for laundering money, it seems as if money laundering may never be completely eradicated. If this is so, how does compliance reduce criminal activity?
20. With the aid of a diagram, explain why saving is equal to investment in a simplified economy with no government or foreign sector.
21. With the aid of the diagram explain the relationship between primary and secondary market.