



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS JANUARY-APRIL 2025 SEMESTER

CERTIFICATE IN BUSINESS MANAGEMENT

COURSE CODE: CIBF 001

COURSE TITLE: FUNDAMENTALS OF FINANCE

DATE: 8 APRIL 2025

TIME: 8.00 AM – 10.00 AM

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **TWO** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: *All exam rooms are under CCTV surveillance during the examination period.*

SECTION A: COMPULSORY

Question One

- a) Describe 5 measures of financial statement analysis used in evaluating the performance and strength of a business. **[10 marks]**
- b) A firm requires capital aimed at financing its operations. Describe any 5 various sources of finance for a firm. **[10 marks]**
- c) Describe 5 types of agency relationships as studied in management of businesses. **[10 marks]**

SECTION B: ANSWER ANY TWO QUESTIONS

Question Two

- a) Describe any five functions of a Financial Manager. **[10 marks]**
- b) Define the term finance and describe the three major categories of finance disciplines. **[10 marks]**

Question three

- a) Describe any five functions of a bank in Kenya. **[10 marks]**
- b) Describe five various forms of business organizations as studied in finance. **[10 marks]**

Question Four

- a) Define an efficient market and describe the three types of market efficiency. **[10 marks]**
- b) A firm has certain goals it has to achieve. Describe five objectives of a firm. **[10 marks]**

Question five

- a) Financial analysis is important to various parties with a financial stake in a company. Outline at least 6 users of financial analysis information. **[12 marks]**
- b) Describe four classifications of ratios in financial analysis. **[8 marks]**