



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS JANUARY –APRIL 2025 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCFI401

COURSE TITLE: SECURITIES AND SECURITIZATION

DATE:

TIME:

INSTRUCTIONS TO CANDIDATES

- a) SECTION A IS **COMPULSORY**.
- b) SECTION B: ANSWER ANY OTHER **THREE** QUESTIONS.
- c) **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
- d) 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) Explain 5 advantages and 5 disadvantages of using debt financing [10 marks]
- b) Explain 3 advantages and 2 limitations of Sensitivity analysis (10 marks)
- c) Discuss 4 types of financial markets found in the world [10 marks]

SECTION B: ANSWER ANY THREE QUESTIONS

Question Two

- a) Discuss the eight classification systems of securities [8 marks]
- b) Discuss the various ways in which we calculate the Market risk [12 marks]
- c)

Question three

- a) Eugene Fama is the founder of Efficient Market hypothesis. Discuss the 3 major versions of his hypothesis [12 Marks]
- b) Explain 4 advantages of leasing [8 Marks]

Question Four

- a) Discuss the 6 Advantages of securitization to a developing nation (12 marks)
- b) Discuss any four financial models that a financial analyst can use (8 Marks)
- c)

Question Five

Make short notes of the following using examples

- a) Green Securities [5 Marks]
- b) Off the shelf software [5 Marks]

c) Future contract

[5 Marks]

d) Junk bonds

[5 Marks]