



**THE CATHOLIC UNIVERSITY OF EASTERN AFRICA**

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**SPECIAL/SUPPLEMENTARY EXAMINATION**

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**MAY- AUGUST 2021**

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**SCHOOL OF BUSINESS**

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**DEPARTMENT OF ACCOUNTING AND FINANCE**

**REGULAR/ODEL PROGRAMME**

**CFI 324: PENSION SCHEMES**

**Date: AUGUST 2021**

**Duration: 2 Hours**

**INSTRUCTIONS: Answer Question ONE and any other TWO Questions**

**Q1. (a)** Pension provision has become a topic of great interest throughout the world in recent times. Discuss. **(20 Marks)**

(b) Pension benefits can be financed either through funded schemes or on a pay-as-you-go basis. Differentiate between the two methods and highlight the key features of each. **(10 Marks)**

**Q2.** Discuss the three forms of pension provision giving the advantages and disadvantages of each. **(20 Marks)**

**Q3. (a)** Discuss the differences between withdrawal benefits and early retirement benefits. **(10 marks)**

(b) Define scheme rules and discuss the main issues that they cover. **(10 marks)**

**Q4. (a)** Discuss the role and functions of the Retirement Benefits Authority (RBA), and explain the various controls it exerts in the retirement benefits sector. **(12 marks)**

(b) Identify any four service providers that are contracted by pension schemes and explain the role played by each in the efficient administration of schemes. **(8 marks)**