



THE CATHOLIC UNIVERSITY OF EASTERN AFRICA

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MAIN EXAMINATION

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MAY- AUGUST 2021

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SCHOOL OF BUSINESS

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DEPARTMENT OF GRADUATE BUSINESS STUDIES

REGULAR/EVENING/ODEL PROGRAMME

CFI 614: ELECTRONIC FINANCE

Date: AUGUST 2021

Duration: 3 Hours

INSTRUCTIONS: Answer ANY FOUR Questions

Question 1:

The current generation of investors is geared to embrace technology in the way they will do business.

- Explain how an online brokerage business works such that you can start to enable online sale and purchase of securities online. **(7 marks)**
- What is the revenue model (s) that is suitable for the online brokerage business? **(4 marks)**
- What are the challenges you need to prepare and overcome in operating the online brokerage business? **(4 marks)**

Question 2

Internet technology is now becoming a major platform for electronic finance.

- Explain how the following technologies contribute to effective electronic

Finance platform:

- i. Blockchain **(4 marks)**
 - ii. Cryptocurrency mining **(4 marks)**
- b) Explain online Forex trading and how it is increasingly becoming popular form of investment online. **(7 marks)**

Question 3

Global integration and deregulations are dramatically changing the structure and nature of financial services.

- a) Explain the main drivers of electronic finance evolution. **(10 marks)**
- b) Discuss the various ways the facilitation of electronic finance has impacted on financial intermediation. **(5 marks)**

Question 4

The emergence of electronic finance has made it possible for electronic banking which has revolutionized the way banking services is offered.

- a) Explain the various ways modern electronic banking has improved banking industry services. **(10 marks)**
- b) What are the challenges/risks that arose as a result of increased adoption of electronic banking? **(5 marks)**

Question 5

Electronic finance is now embraced in most financial institutions and customers are increasingly embracing the technology as electronic banking, electronic payments etc,

- a) Explain the benefits such an approach would contribute to an economy e.g Kenya **(5 marks)**

- b) Whereas the technology is now available in most financial institutions, its not yet embraced by most customers e.g bank customers. What are the factors that hinder the adoption of electronic finance in Kenya? **(10 marks)**

DET MAY 2021