



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ECONOMICS, ACCOUNTING AND FINANCE

QUALIFICATION: POST GRADUATE DIPLOMA IN DEVELOPMENT FINANCE	
QUALIFICATION CODE: 08PGDD	LEVEL: 8
COURSE CODE: CIB810S	COURSE NAME: CONTEMPORARY ISSUES IN BANKING AND FINANCE
SESSION: JUNE 2025	PAPER: THEORY AND APPLICATION
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
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<p style="text-align: center;">INSTRUCTIONS</p> <ol style="list-style-type: none">1. This question paper consists of FIVE (5) Questions.2. Answer ALL the FIVE (5) questions in blue or black ink only. NO PENCIL and TIPEX3. Start each question on a new page and number the answers correctly and clearly.4. Write clearly and neatly.5. Questions relating to this examination may be raised in the initial 30 minutes after the start of the examination. Thereafter, candidates must use their initiative to deal with any perceived errors or ambiguities, and any assumptions the candidate makes should be clearly stated.

PERMISSIBLE MATERIALS

1. None

THIS QUESTION PAPER CONSISTS OF 3 PAGES (including this front page)

QUESTION 1**[20 MARKS]**

Banks play a crucial and multifaceted role in a modern economy, acting as the linchpin of the financial system and facilitating the flow of funds between savers and borrowers. Their functions are essential for economic growth, stability, and efficiency.

REQUIRED:	MARKS
Based on these favourable conditions, discuss the role of Banks in an economy.	20

QUESTION 2**[20 MARKS]**

REQUIRED:	MARKS
a) Discuss the key features of Risk Management in the Namibian Banking and Finance Industry.	15
b) Using illustrative examples, analyse the meaning of politically exposed persons (PEPs) in the context of Anti-Money Laundering (AML) legislation and regulation, with specific reference to the definitions mentioned in the Financial Action Task Force (FATF) guidance on politically exposed persons.	5

QUESTION 3**[20 MARKS]**

REQUIRED:	MARKS
a) Critically analyse the implications of Non-Performing Loans (NPLs) on a country's economy and the rationale for establishing a 'Bad Bank'.	15
b) Some commentators have argued that the creation of 'bad banks' increases 'moral hazard' in the banking sector. Explain this argument.	5

QUESTION 4**[20 MARKS]**

Microfinance in Namibia is regarded as a catalyst for grassroots Inclusion.

REQUIRED:	MARKS
With the aid of examples, evaluate the role and challenges of microfinance and mobile banking in promoting financial inclusion in Namibia.	20

QUESTION 5**[20 MARKS]**

REQUIRED:	MARKS
a) Assume a small economy like Namibia has a banking sector dominated by four large banks. As a policymaker at the Bank of Namibia, what measures could you consider implementing to foster greater competition and innovation in this banking sector, while also ensuring financial stability? Evaluate the potential benefits and drawbacks of each measure	10
b) Explain the role of and limitations of disclosure regulation in consumer protection.	5
c) "Capital requirements form an important part of prudential regulation." Explain at least two functions of bank capital requirements.	5

END OF EXAMINATION PAPER