



**Riara School of Business**  
*Nurturing business innovators*

**SEPTEMBER – DECEMBER 2022 TRIMESTER  
EXAMINATION FOR BACHELOR OF BUSINESS ADMINISTRATION**

**DAY PROGRAMME**

**RFN 203: PERSONAL FINANCE**

**DATE: 28<sup>TH</sup> NOVEMBER 2022**

**TIME: 2 HOURS**

**SPECIAL INSTRUCTIONS**

1. Write your REGISTRATION NO. Clearly on the answer booklet(s).
2. Answer Question One and ANY other TWO questions.
3. Questions in all sections should be answered in answer booklet(s)
4. PLEASE start the answer to EACH question on a NEW PAGE.
5. For the questions, write the number of the question on the answer booklet(s) in the order you answered.
6. Write on both sides of each leaf and indicate number of each question at the top of each page.
7. Write the answers in a paragraph form unless stated otherwise.
8. Marks allocated to each question are shown at the end of the question.
9. All rough work must be done on the answer booklet and crossed through!
10. Use supplementary pages only when you have exhausted those in the book.
11. Fasten the supplementary pages to the inside back cover of the booklet

### QUESTION ONE: COMPULSORY (30 MARKS)

- a) i) Define personal financial planning (1 mark)
- ii) Explain **four** reasons why personal financial planning is important (4 marks)
- b) Describe **four** types of taxes that an individual may be subjected to. (8 marks)
- c) Discuss any **five** disadvantages of using credit. (5 marks)
- d) Discuss any **four** financial institutions that are important in personal financial planning (12 marks)

### QUESTION TWO

- a) Explain **five** factors that influence the choice of a savings plan. (10 marks)
- b) Discuss **five** benefits of online payment methods. (10 marks)

### QUESTION THREE

- a) i) Define insurance (2 marks)
- ii) Discuss any **four** types of life insurance policies. (8 marks)
- b) Explain **five** reasons why a personal budget is an important tool of money management. (10 marks)

### QUESTION FOUR

Highlight **five merits** and **five demerits** of each of the following housing alternatives:

- a) Renting (10 marks)
- b) Ownership (10 marks)