ZIMBABWE

MINISTRY OF HIGHER AND TERTIARY EDUCATION, INNOVATION, SCIENCE AND TECHNOLOGY DEVELOPMENT

HIGHER EDUCATION EXAMINATIONS COUNCIL (HEXCO)

NATIONAL CERTIFICATE

IN

BANKING AND FINANCE

MODULE: Investment Administration | **PAPER NO: 355/22/M03**

DURATION: 3 Hours

JUNE 2026 EXAMINATION

REQUIREMENTS

Non-programmable calculator

INSTRUCTIONS TO CANDIDATE

1. **Answer any five (5) questions.**
2. **All questions carry equal marks.**

This paper consists of 3 printed pages.

QUESTION 1

a) Explain any two (2) money market instruments. (5 marks)

b) Discuss three (3) advantages and two (2) disadvantages of investing in a treasury bill. (15 marks)

QUESTION 2

a) Distinguish between money and capital market financial instruments. (16 marks)

b) Define the following terms as they are used in investments:

i) Bid rate (1 mark)
ii) Ask rate (1 mark)
iii) Real rate (1 mark)
iv) Indirect quote (1 mark)

QUESTION 3

Outline and explain any five (5) factors which affect interest rates. (20 marks)

QUESTION 4

Explain any five (5) importances of bank regulation in Zimbabwe. (20 marks)

QUESTION 5

a) Outline and explain the characteristics of the following investment instruments:

i) Financial assets (5 marks)
ii) Derivatives (5 marks)

b) Describe any five (5) types of investors in financial markets. (10 marks)

QUESTION 6

Write short notes on:

a) Asset-backed security (5 marks)

b) Risk (5 marks)

c) Direct quotes (5 marks)

d) Nominal rate (5 marks)

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