

**2<sup>nd</sup> SEM. 2012/2013**



**UNIVERSITY OF SWAZILAND**  
**FINAL EXAMINATION PAPER**

**PROGRAMMES : BACHELOR OF SCIENCE IN  
CONSUMER SCIENCE AND  
CONSUMER SCIENCE EDUCATION  
YEAR IV**

**COURSE CODE : FRHD 406**

**TITLE OF PAPER : FAMILY FINANCE MANAGEMENT**

**TIME ALLOWED : TWO (2) HOURS**

**INSTRUCTIONS : ANSWER QUESTION ONE (1) AND  
ANY OTHER TWO (2) QUESTIONS**

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GRANTED BY THE CHIEF INVIGILATOR**

**QUESTION 1 (COMPULSORY)**

- a) Discuss any **four (4)** controllable factors that affect personal income and explain how they affect life time earnings. (4 x 5 = 20 Marks)
- b) State how you would explain the concept of insurance to a group of young adults. (10 Marks)
- c) The return on investments may come from two sources: current income and capital gains. Distinguish between the two. Support your answer with examples. (10 Marks)

**[Total Marks = 40]**

**QUESTION 2**

- a) Explain the risk and yield relationship in investment. (10 Marks)
- b) Identify and describe any five (5) types of investment risks. (5 x 4 = 20 Marks)

**[Total Marks: 30]**

**QUESTION 3**

Identify and discuss the steps in the risk management process.

**[Total Marks = 30]**

**QUESTION 4**

- a) In evaluating a credit application, lenders normally consider five main factors, usually referred to as the 'five Cs' of credit. Identify and explain these factors. (20 Marks)
- b) Identify any **one (1)** of the credit institutions you visited. Explain how this institution applies each of the Cs with their clients who seek credit with them. (10 Marks)

**[Total Marks = 30]**