

2nd SEM. 2013/2014



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**

**DO NOT OPEN THIS PAPER UNTIL PERMISSION HAS BEEN
GRANTED BY THE CHIEF INVIGILATOR**

QUESTION 1 (COMPULSORY)

- (a) Research has shown a disturbing financial situation for retired persons in Southern Africa. Describe the financial position of retired people in the region. (10 Marks)
- (b) Explain any **five (5)** reasons behind this situation. (10 Marks)
- (c) Discuss the **three (3)** elements of estate planning. (6 Marks)
- (d) Identify and explain the provisions of a will. (14 Marks)

[TOTAL MARKS = 40]

QUESTION 2

- (a) "A person's risk disposition is an important consideration in developing an investment philosophy".
Explain this statement and support your explanation with examples. (15 Marks)
- (b) Identify and explain any **five (5)** investment risks. (15 Marks)

[TOTAL MARKS = 30]

QUESTION 3

"Those who succeed financially set their own debt limits".
Identify and explain the **three (3)** methods of setting debt limits in Family/Personal Finance Management.

[TOTAL MARKS = 30]

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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) Explain how the financial/credit institution you visited applies each of these factors to clients who seek credit with them.

(10 Marks)

[TOTAL MARKS = 30]