

2<sup>nd</sup> SEM. 2014/15



**UNIVERSITY OF SWAZILAND**

**SUPPLEMENTARY 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) 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**

- a) Identify and describe the **three (3)** steps in the risk management process. (18 Marks)
- b) Identify and explain any six provisions of a will. (12 Marks)

[TOTAL MARKS = 30]

**QUESTION 4**

- a) In evaluating a credit application, lenders normally consider **five (5)** main factors, usually referred to as the 'five Cs' of credit. Identify and explain these factors.  
(20 Marks)
- b) Choose any one of the Cs, and explain in detail how the credit institution you visited applies this to clients who seek credit with them.  
(10Marks)

**[TOTAL MARKS = 30]**