



**2<sup>nd</sup> SEM. 2016/2017**

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**UNIVERSITY OF SWAZILAND**

**FINAL EXAMINATION PAPER**

**PROGRAMME : BACHELOR OF SCIENCE IN  
CONSUMER SCIENCE and CONSUMER  
SCIENCE EDUCATION 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) Income is the most significant variable affecting the achievement of your financial goals. Discuss **five (5)** of the factors that affect family income. [20 Marks]
- (b) Money lenders will consider **five (5)** main factors to determine your ability to repay the loan. Identify and explain the importance of each factor [20 Marks]
- [TOTAL MARKS = 40]

**QUESTION 2**

- (a) Living a satisfactory life implies making decisions regarding personal or family financial management. Identify and briefly discuss steps in successful financial management. [6 x 4 = 24 Marks]
- (b) What is estate planning? Why is estate planning important? [6 Marks]
- [TOTAL MARKS = 30]

**QUESTION 3**

- (a) What is insurance? [3 Marks]
- (b) Discuss in details the following terms and concepts regarding their usage in insurance contracts.
- i. Perils and hazards [13 Marks]
  - ii. The concept of loss [10 Marks]
  - iii. The principle of indemnity [4 Marks]
- [TOTAL MARKS = 30]

**QUESTION 4**

- (a) What is meant by the term 'budgeting'? [2 Marks]
- (b) Discuss the first **five (5)** phases of the budgeting process. [28 Marks]
- [TOTAL MARKS = 30]