



1ST SEM. 2005/2006

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UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

**PROGRAMME : BACHELOR OF SCIENCE IN HOME
ECONOMICS & HOME ECONOMICS
EDUCATION YEAR V**

COURSE CODE : FRHD 501

TITLE OF PAPER : FAMILY FINANCE

TIME ALLOWED : TWO (2) HOURS

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

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GRANTED BY THE CHIEF INVIGILATOR**

QUESTION 1

- 1.1 When carrying out the spending plan in the actual purchases of goods, certain practices are recommended for maximization of satisfaction from the use of money. Explain some of those practices. 12
- 1.2 If two families start out with the same income, one may end up financially more secure than the other. Explain why? 12
- 1.3 Focus on eight (8) key points to be covered in insurance policy 16
- [Total marks=40]**

QUESTION 2

- 2.1 What is the significance of each type of income given below to the family finance? How may each type be increased? 20
- a) wages and salaries as income
 - b) interest as income
 - c) dividends as income
 - d) royalty as income
 - e) rent as income
- 2.2 In evaluating a credit application, lenders consider the five C's of credit. What are those five C's? Explain its important 10
- [Total marks=30]**

QUESTION 3

- 3.1 In order to lead a satisfying life, we must learn to manage our finances. Successful financial management involves the right attitude towards money, earning and spending. Illuminate this statement. 15
- 3.2 Explain the factors affecting family finance. 15
- [Total marks=30]**

QUESTION 4

- 4.1 What is insurance? 10
- 4.2 Explain the risk management process in insurance 20
- [Total marks=30]**