

2nd SEM. 2007/2008



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UNIVERSITY OF SWAZILAND

FINAL EXAMINATION PAPER

**PROGRAMME : BACHELOR OF SCIENCE IN HOME
ECONOMICS 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 (2) QUESTIONS**

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

QUESTION 1 [COMPULSORY]

As their fellow member, the Swaziland National Association of Teachers (SNAT) has invited you to present a 2-hour talk at the annual SNAT conference. The title of your first presentation is "Retirement and Estate Planning". The title of your second presentation is "The housing situation in Swaziland/Botswana".

(a) Prepare the points for your first presentation under the following sub-headings:

- | | | |
|-------|---|-----------|
| (i) | The two sources of return on investments | [3 marks] |
| (ii) | Investment strategies for retirement | [5 marks] |
| (iii) | Six questions that can help you assess the pension plan provided by your employer | [6 marks] |
| (iv) | Problems of dying intestate | [3 marks] |
| (v) | Provisions of a will | [9 marks] |

(b) Prepare the points for your second presentation under the following sub-headings:

- | | | |
|-------|--|-----------|
| (i) | Housing options in Swaziland (or Botswana) | [3 marks] |
| (ii) | Financing a home in Swaziland (or Botswana) | [5 marks] |
| (iii) | Deciding how much you can afford for housing | [6 marks] |

[Total marks = 40]

QUESTION 2

Of late, the "credit trap" has brought untold misery to many individuals and families.

- (a) Identify and describe in detail the three (3) methods of setting debt limits in family/personal finance. [20 marks]
- (b) 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. [10 marks]

[Total marks = 30]

QUESTION 3

Identify and describe the three (3) steps in the risk management process. Give examples where necessary.

[Total marks = 30]

QUESTION 4

Explain how the following can be used in personal/family financial decision making:

- (a) Balance sheet [15 marks]
- (b) Income and expenditure statement [15 marks]

[Total marks = 30]