

2<sup>nd</sup> SEM. 2018/19



**UNIVERSITY OF ESWATINI**  
**FINAL EXAMINATION PAPER**

**PROGRAMMES** : BACHELOR OF SCIENCE IN  
CONSUMER SCIENCE;  
CONSUMER SCIENCE EDUCATION  
AND TADM LEVEL IV

**COURSE CODE** : CED402/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) "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. (20 Marks)
- (b) Define the following financial statements and discuss how they are used in  
family finance.
- i) The Balance sheet (10 Marks)
  - ii) Income and expenditure statement (10 Marks)

[TOTAL MARKS: 40]

### QUESTION 2

"A person's risk disposition is an important consideration in developing an investment philosophy".

- (a) 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

You have been asked to give a talk to Form V students on human capital investment. Outline your talk by comparing the expected experience-earnings profile of someone who decides to enter the labour market after completing Form V, with that of a person who goes to university for a 4 year degree immediately after completing Form V. Support your explanation with a well-labeled line graph of these two scenarios.

[TOTAL MARKS: 30]

### QUESTION 4

- (a) Research has shown a disturbing financial situation for retired persons in Southern Africa.
- (i) Discuss the general financial position of retired people in the region (8 Marks)
  - (ii) Explain any **five (5)** reasons behind this situation. (7 Marks)
- (b) Outline and explain the components of a will. (15 Marks)

[TOTAL MARKS: 30]