



**SECOND YEAR EXAMINATION FOR THE AWARD OF THE  
DIPLOMA IN LAWS  
SECOND SEMESTER, 2022/2023  
(SEPTEMBER-DECEMBER, 2022)**

**DLAW 0215: ELEMENTS OF BANKING LAW**

**STREAM: Y2 S2**

**TIME: 2 HOURS**

**DAY: MONDAY, 3:00 – 5:00 P.M.**

**DATE: 19/12/2022**

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**INSTRUCTIONS**

- 1. Do not write anything on this question paper.***
- 2. Answer Question ONE [Compulsory] and any other TWO Questions.***
- 3. Illustrate your answer with relevant cases and statutory provisions where applicable.***

**QUESTION ONE**

- Discuss two main banking services offered by banks in its traditional sense as a bank. (10 marks)
- Discuss two banking services offered by non-banking institutions (10 marks)
- Discuss four regulatory provisions available in the law to oversee services offered in (a) and (b) above. (10 marks)

**QUESTION TWO**

Inoperability between (i) banks to banks and (ii) banks to other non-bank financial institutions remain critical in the modern Kenyan financial system.

- Explain what is interoperability and give three ways in which it works in the Kenyan financial system with respect to bank to bank; and bank to non-bank financial institutions. (10 marks)

(b) Identify any two challenges presented by interoperability and any two regulatory measures to address the challenges. (10 marks).

**QUESTION THREE**

Discuss four mandates of the Central Bank of Kenya. (20 marks).

**QUESTION FOUR**

Discuss four duties of a bank to its customers. (20 marks)

**QUESTION FIVE**

Explain the mandate of the following and how they operate:

- a. Microfinance institution. (5 marks)
- b. SACCO. (5 marks)
- c. World Bank. (5 marks)
- d. Credit Reference Bureaus. (5 marks)