



EAST

MODERATED

FINAL EXAMINATION

SCHOOL OF BIBLE AND THEOLOGY

BURUBURU CAMPUS

FIRST SEMESTER, 2025/2026 ACADEMIC YEAR

EXAMINATION FOR FINANCIAL LITERACY

LEVEL: DEGREE

UCC 1163: FINANCIAL LITERACY (FORM A)

STREAM: N/A

TIME: 2 HOURS

EXAMINATION SESSION: NOV/DEC

YEAR: 2025/26/1

DAY []

DATE: []

INSTRUCTIONS:

1. Attempt ALL the questions in **Section A**
 2. Attempt any **Two** questions in **Section B**
 3. The entire exam is worth forty (40) Marks.
 4. Write **ONLY** on the space provided on the answer sheet or as otherwise instructed.
 5. Where necessary Show your working clearly.
 6. Do **NOT** attempt to access any library, online (audio, video, digital or electronic) or paper-based (written), sources for your answers unless this is clearly advised in the Question.
 7. The camera must be on throughout the exam period.
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SECTION A (20 Marks) – ATTEMPT ALL THE QUESTIONS

Question One

- 1 a). Describe financial literacy and discuss its relevance in personal financial management (2 Marks).
 - b) Analyze saving and investing, providing suitable examples to illustrate each (4Marks).
 - c) Explain how individuals can balance saving and investing to achieve both short-term financial security and long-term wealth creation (4Marks).
2. a). Describe budgeting and discuss its importance in financial literacy (4Marks).
 - b). Critically examine the principles of sound financial management and analyze how they contribute to ensuring the financial stability and long-term growth of organizations. (6Marks)

SECTION B (20 Marks) – ATTEMPT ANY TWO QUESTIONS, EACH QUESTION IS WORTH 10 MARKS)

Question Two

- a). Describe consumer purchasing strategies and discuss their importance in promoting sound financial decision-making (4Marks).
- b). Discuss three key consumer purchasing strategies that individuals can use to make cost-effective and informed buying decisions, giving practical examples for each (6Marks).

Question Three

- a). Describe investing and discuss why classifying different types of investments is important for personal financial planning (4Marks).
- b) Describe three main types of investments highlighting their key features and potential returns (6Marks).

Question Four

- a). Analyze the terms needs and wants in the context of purchasing decisions and discuss how they differ (4Marks).
- b). Discuss how distinguishing between needs and wants can help individuals make informed financial decisions and achieve better budgeting outcomes. Give relevant examples (6Marks)

Question Five

- a) Explain the nature of debt in personal finances, highlighting its types and how it affects an individual's financial well-being (5Marks).
- b) Discuss how effective debt management strategies can help individuals maintain financial stability and avoid long-term financial distress (5Marks).

END



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SECTION A (20 Marks) – ATTEMPT ALL THE QUESTIONS

Question One

1. a) Explain the terms needs and wants in the context of purchasing decisions (2Marks).
 - b) Analyse the distinction between needs and wants, using relevant examples to illustrate your answer (4Marks).
 - c) Discuss how the ability to distinguish between needs and wants enables individuals to make informed financial choices and enhance their budgeting effectiveness. (4Marks)
2. a) Describe budgeting in the context of financial literacy (2Marks).
 - b) Discuss the importance of budgeting in helping individuals manage their finances effectively (4 Marks).
 - c) Analyze saving and investing, and discuss how individuals can balance the two to achieve both short-term financial security and long-term wealth creation. (4Marks)

SECTION B (20 Marks) – ATTEMPT ANY TWO QUESTIONS, EACH QUESTION IS WORTH 10 MARKS)

Question Two

- a) Examine the concept of consumer purchasing strategies and evaluate their role in enhancing sound financial decision-making (4Marks)
- b) Analyze three major consumer purchasing strategies that can help individuals make cost-effective and well-informed buying choices, providing relevant practical examples for each (6Marks).

Question Three

- a) Explain the term investing and discuss the significance of classifying various types of investments in effective personal financial planning (4Marks).
- b) Examine three major categories of investments, outlining their distinct characteristics and expected returns (6Marks).

Question Four

- a). Analyze the terms needs and wants in the context of purchasing decisions and discuss how they differ (4Marks)
- b). Critically examine the principles of sound financial management and analyze how they contribute to ensuring the financial stability and long-term growth of organizations (6Marks)

Question Five

- a) Explain the concept of the 50/30/20 rule of budgeting, outlining the key components and their significance in personal financial planning (5Marks)
- b) Analyze how applying the 50/30/20 rule can help individuals achieve balanced financial management and long-term financial stability (5Marks)

END