



## ASSOCIATESHIP EXAMINATION

### LEVEL IV

## CORPORATE GOVERNANCE [OLD SYLLABUS]

**APRIL 2025**

**N.B.**

1. Read carefully the instructions on the cover of the answer booklet.
2. There are TWO sections. Answer **FOUR (4)** questions in all.
3. **SECTION A is compulsory and carries forty (40) marks.**

**Answer THREE questions from SECTION B, which carries twenty (20) marks each.**

4. No aids such as calculators, books, dictionaries, papers, or mathematical sets are permitted in this examination.
5. Time allowed: **THREE (3) HOURS**
6. Candidates must ensure that they answer questions in the appropriate answer booklets and NOT on loose sheets which may be used only as supplementary sheets. Such answers will not be marked.
7. The scenarios included here are entirely fictional. Any resemblance of the information in the scenarios to real persons or organisations, actual or perceived, is purely coincidental.
8. **DO NOT WRITE YOUR NAME ON THE ANSWER BOOKLET.**
9. **DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE INSTRUCTED TO DO SO.**

## **ATTEMPT FOUR (4) QUESTIONS ONLY**

**Question 1 MUST be attempted in Section A and any THREE additional questions in Section B**

### **SECTION A (COMPULSORY)**

#### **QUESTION 1**

Professor Mary Nyarko is the Chairperson of a Development Finance Bank (DFB) in Cometland. She recently participated in a development financing seminar organised by the World Bank and the issue of Anti-Money Laundering, Combating the Financing of Terrorism and Proliferation of Weapons of Mass Destruction (AML/CFT&P) was the main theme under discussion for governing development financing institutions in developing countries. Her bank's core mandate is to facilitate access to financing of Micro, Small and Medium-Sized Enterprises (MSMEs), Small ICT, Agribusiness and Manufacturing Companies. The Development Finance Bank supports these businesses through selected Participating Financial Institutions (PFIs). The approved PFIs are Universal Banks and Savings and Loans Institutions in Cometland.

You are a Corporate Governance Consultant in Cometland and she draws your attention to the regulatory requirement that AML/CFT&P matters should be a continuing and a standing issue (including the update and training of Directors in AML/PF) in Board Meetings in keeping with AML/CFT&P Guidelines 2022 in Cometland. The Board of the DFB wants you to provide them with a framework that will guide their desire to evaluate their level of compliance.

#### **REQUIRED**

- a. Critically examine the three (3) main laws of Money Laundering that should guide the decisions of the DFB Board.  
**(20 Marks)**
- b. Examine the practical measures that the Board could take to ensure that the Bank's AML/CFT&P policies and practices satisfy the minimum regulatory requirements.  
**(20 Marks)**

**[Total: 40 Marks]**

### **SECTION B - ANSWER ANY THREE QUESTIONS**

#### **QUESTION 2**

The Corporate Governance Directive 2018 and ISO 37000, the first global ISO on Corporate Governance, identified Board Accountability as one of the pillars of Corporate Governance.

Critically examine the view that the degree of a bank's Board Accountability depends on the quality of the Board.

**(20 Marks)**

### **QUESTION 3**

You have been appointed the Chairperson of a financial institution that has limited Trade Finance and Derivative activities. The Senior Independent Director (SDI) who also chairs the Audit Committee provides you with the following information:

	Item	Amount (millions of cedis)
1	Assets	500
2	Liabilities	400
3	Equity	100
4	Weighted Duration of Assets (WDA)	5 years
5	Weighted Duration of Liabilities (WDL)	3 years
6	Current Interest Rate	4.25%

He informs you that the current interest rate is likely to go up by 25 basis points.

### **REQUIRED**

Critically examine the practical Corporate Governance measures you will recommend to the Board and Management in compliance with the Corporate Governance Directive 2018.

**(20 Marks)**

### **QUESTION 4**

“The Corporate Governance Directive (2018) and Exposure Draft on Viability and Sustainability (2023/2024) require every Board to optimise the Risk/Return of the bank or to effect real change in the Risk Profile of the bank to ensure viability and sustainability of the bank.”

### **REQUIRED**

Examine the measures that Directors of Banks should undertake to ensure viability and sustainability of their banks.

**(20 Marks)**

### **QUESTION 5**

Critically examine the view that bank Corporate Governance measures on conflict of interest in Board Decision-Making Processes primarily aim to minimize negative impact including moral hazard on the bank and for minimum regulatory satisfaction.

**(20 Marks)**

### **QUESTION 6**

Critically examine the view that bank ownership structures affect the Corporate Governance of Banks.

**(20 Marks)**