



ASSOCIATESHIP EXAMINATION

LEVEL I

ELEMENTS OF BANKING

[OLD SYLLABUS]

APRIL 2025

N.B.

1. Read carefully the instructions on the cover of the answer booklet.
2. **Answer Question One and Four Other Questions.**
3. All questions carry equal marks.
4. Time allowed: **THREE HOURS**
5. 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 be cancelled.
6. **DO NOT WRITE YOUR NAME ON THE ANSWER BOOKLET.**
7. **DO NOT OPEN THIS QUESTION PAPER UNTIL INSTRUCTED TO DO SO.**

ANSWER QUESTION 1 AND ANY OTHER FOUR QUESTIONS

QUESTION 1

Read the passage below and fill in the gaps with correct answers from the list of answers stated below:

	a	b	c
i.	Seller	Exporter	Importer
ii.	Bill of Exchange	Bill of Lading	Promissory Note
iii.	Open Account	Advanced Payment	Credit Payment
iv	Bill of Exchange	Bill of Lading	Promissory Note
v	Bill of Exchange	Bill of Lading	Promissory Note
vi	Agent	Banker	Lawyer
vii	Country Certificate	Certificate of Origin	Country Letter
viii	Pre-Shipment	Shipment Bill	Packing List
	Inspection Certificate		
ix	Delivered at Frontier	Free Carrier	Free on Board
x	Import Duty	Airway Bill	Insurance Charges

I buy goods from China and they are transported to Ghana. I am therefore known as **i**.....
As the goods were loaded on to the deck of the ship from the port in Shanghai, China, to be transported to Ghana, the shipping line provided me with a document evidencing that the goods will be transported. That document called ---**ii**---, was dispatched to me. Payment was not made but I am obliged to pay after the goods have been dispatched to me. The method of payment we agreed upon was ... **iii**...

The exporter issued to me a ...**iv**.... which is an unconditional order which instructed me to pay for the goods supplied on demand. I immediately issued to him a ...**v**..... which is a promise to pay. He immediately told me to pay the money to their**vi**....., on maturity, who has been appointed to act on their behalf for all transactions.

When the goods arrived, I observed that a **vii**..... was attached which confirmed the country where the goods were coming from together with ...**viii**.... which also confirmed that there was an independent inspection of the goods by a designated agency before they were shipped.

We agreed on the incoterm known asix... which ensured that the goods will be delivered to me at Aflao Border, one of the points of entry into Ghana and thereafter I will pay the necessary x... and other costs until the goods get to the final destination. **[Total: 20 marks]**

QUESTION 2

State and discuss in detail any five (5) reasons why ethical issues are relevant to the business of banking and also critical to the conduct of bankers and all other stakeholders in the banking industry. **[Total: 20 marks]**

QUESTION 3

John Mensah is requesting for a personal loan of GHS 20,000.00 from Pingoes Trust Bank. As a Credit Officer state and discuss with examples the criteria that you will use to decide whether to lend or not to lend to him. **(14 marks)**

Which of the criteria do you consider to be the least consideration and why? **(6 Marks)**

[Total: 20 marks]

QUESTION 4

a. List any eight (8) items found on a Bill of Lading. **(8 Marks)**

b. Explain the following International Trade Terms:

i. Transshipment Bill of Lading.

ii. Weight Note

iii. Quarantine Certificate

(4 marks each, total: 12 marks)

[Total: 20 marks]

QUESTION 5

Discuss with examples any five (5) relationships that exists between a Bank and its Customers.

[Total: 20 marks]

QUESTION 6

Discuss in detail the exceptions to the Duty of Secrecy with regard to disclosure of affairs relating to customers by officials of banks. **[20 marks]**

QUESTION 7

- a. Explain how the Central Bank uses the following tools in the management of Money Supply in the economy:
 - i. Special Deposits **(5 marks)**
 - ii. Open Market Operations **(5 marks)**

- b. State and explain any five (5) benefits one can derive from investing in Collective Investment Schemes. **(10 marks)**

[Total: 20 marks]

QUESTION 8

- a. State any ten (10) reasons why a bank can refuse the payment of a cheque drawn on it even though the customer has sufficient funds in the account. **(10 marks)**

- b. Write short notes on the following:
 - i. SWIFT Fool Proof
 - ii. Electronic Banking **(5 marks each)**

[Total: 20 marks]