



**CHARTERED INSTITUTE OF BANKERS, GHANA  
ASSOCIATESHIP EXAMINATION**

**LEVEL IV**

**CORPORATE BANKING – LAW AND PRACTICE**

**OCTOBER 2022**

N.B.

1. Read carefully the instructions on the cover of the answer book.
2. **SECTION A** contains **THREE 30-mark** questions from which candidates should answer **TWO**. **SECTION B** contains **THREE 20-mark** questions from which candidates should answer **TWO**.  
Candidates will answer a total of **FOUR** questions.
3. The total number of questions in this paper is **SIX**.
4. No aids such as calculators, books, dictionaries, papers, or mathematical sets are permitted in this examination.
5. Time allowed: **THREE HOURS**.
6. An additional **15 minutes** of reading time is allowed at the beginning of the examination when candidates may write on this paper but **NOT** in the answer book.
7. Candidates must ensure that they answer questions in the appropriate answer book and **NOT** on loose sheets which are used only as supplementary sheets. Such answers will be cancelled.
8. **DO NOT WRITE YOUR NAME ON THE ANSWER BOOK.**
9. **DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE INSTRUCTED TO DO SO.**

## SECTION A – ANSWER ANY TWO

### QUESTION ONE

- a) Identify the main terms of the ISDA Master Agreement. [20 marks]
  - b) Explain the relevance of the ISDA Master Agreement to a bank. [10 marks]
- [Total marks: 30]**

### QUESTION TWO

Distinguish between the following:

- a) Asset securitisation and loan security. [6 marks]
- b) Confirming bank and nominated bank. [6 marks]
- c) Governing law in a loan agreement and legal opinion for a loan facility. [6 marks]
- d) Repayments and prepayments in loan transactions. [6 marks]
- e) Country risk and sovereign risk. [6 marks]

**[Total marks:30]**

### QUESTION THREE

- a) Identify five (5) risks associated with sovereign lending transactions. [10 marks]
- b) Describe five (5) key characteristics of bonds. [10 marks]
- c) Describe what constitutes a default and describe five (5) events that would constitute default by a customer in a term loan transaction. [10 marks]

**[Total marks:30]**

## SECTION B – ANSWER ANY TWO

### QUESTION FOUR

Identify the parties in a documentary credit and explain their roles in the transaction.

**[Total marks:20]**

### **QUESTION FIVE**

- a) Distinguish between a letter of comfort and an indemnity. [10 marks]
  - b) Describe the factors a bank must consider when taking an asset as a security. [10 marks]
- [Total marks:20]**

### **QUESTION SIX**

- a) Distinguish between the recognition and enforcement of foreign judgments in Ghana. [10 marks]
  - b) Describe the relevance of international conventions on contractual obligations.[10 marks]
- [Total marks: 20]**