



CHARTERED INSTITUTE OF BANKERS (GHANA)

ASSOCIATESHIP EXAMINATION

LEVEL IV

ADMINISTRATION OF TRUST

JULY 2020

N.B:

1. Read carefully the instructions on the cover of the answer book.
2. Answer FIVE questions only as follows:

Maximum of THREE questions from one section

Minimum of TWO questions from one section
3. The total number of questions in this paper is EIGHT. Each question carries 20 MARKS.
4. No aids such as books, papers, statutes are permitted in this examination.
5. Time allowed: THREE HOURS.
6. Candidates must ensure that they answer questions in the appropriate answer book and NOT on loose sheets which are supplementary sheets. Such answers will not be marked.
7. DO NOT WRITE YOUR NAME ON THE ANSWER BOOK.
8. DO NOT OPEN THIS QUESTION BOOK UNTIL YOU HAVE BEEN INSTRUCTED TO DO SO.
9. WRITE LEGIBLY.

SECTION A.

ANSWER TWO QUESTIONS MINIMUM FROM THIS SECTION

QUESTION 1

- a) Write short notes on the following:
- 1) Discretionary trusts
 - 2) Fixed Trusts

(20 marks)

QUESTION 2

- a) State two (2) circumstances under which a constructive trust may arise.
b) Explain how tracing is done through mixtures.

(20 marks)

QUESTION 3

What is the juridical legal effect of creating a trust?

QUESTION 4

State and explain ways in which beneficiaries can hold third parties (other than the trustee) liable for breach of the trust committed by them.

(20 marks)

SECTION B

ANSWER TWO QUESTIONS MINIMUM FROM THIS SECTION.

QUESTION 5

- a) State and explain the duties of a Trustee with regards to investments.
b) What is a testamentary (Will) trust?

(20 marks)

QUESTION 6

- a) State and explain three (3) ways in which the courts would not assist a volunteer to perfect an imperfect trust.
- b) Explain presumed and automatic resulting trusts.

(20 marks)

QUESTION 7

Explain ways in which a trustee can be held personally liable for breach of trust.

(20 marks)

QUESTION 8

State and explain the principle in *Saunders v Vautier* (1841) 4 Beav 115 and the limitations, if any, in the application of the principle.

(20 marks)