



CHARTERED INSTITUTE OF BANKERS (GHANA)

ASSOCIATESHIP EXAMINATION

LEVEL IV

MULTINATIONAL CORPORATE BANKING – FINANCE & INVESTMENT

JULY 2020

N.B:

1. Read carefully the instructions on the cover of the answer book.
2. Answer **FOUR (4)** questions only as follows:
SECTION A: TWO questions only.
SECTION B: TWO questions only.
3. Each question in Section A carries **30** marks. Questions in Section B carry **20** marks each.
4. Time allowed: **THREE HOURS**.
5. Silent, non-programmable electronic calculators may be used in this examination. Whether or not candidates use them, it is in their own interest to show the basic figures from which their calculations are made.
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 PAPER UNTIL YOU HAVE BEEN INSTRUCTED TO DO SO.**

SECTION A

QUESTION ONE

Kenya Airways (KA) is scheduled to expand operations in Ghana this year.

- a) Enumerate and explain the factors that influence the decision of a multinational company like KA to invest in a country? **(15 marks)**
 - b) Identify and explain any five factors that will compel a multinational, like KA, to cease operations in a country. **(15 marks)**
- (Total 30 marks)**

QUESTION TWO

- a) Why is there a shift by government towards bonds? **(10marks)**
- b) BOG has recently embarked upon the forward sale of USD. What is the benefit of this to:
 - (i) Banks? **(5 marks)**
 - (ii) corporate entities who need USD for their operations? **(5marks)**
- c) The government of Amarahia borrowed to finance projects but failed to pay taking refuge in the clause 'sovereign immunity'.
 - (i) What is sovereign immunity? **(2 marks)**
 - (ii) How can lenders protect themselves against this clause? **(8marks)**

(Total: 30 marks)

QUESTION THREE

- a) What are the benefits to be derived by corporate bodies from syndicated lending? **(15marks)**
- b) All ventures undertaken by corporate entities have an element of risk attached to it. These are either systematic or un-systematic risks.
 - i) Define systematic and un-systematic risks. **(5 marks)**
 - ii) What are the differences between systematic and unsystematic risks? Give examples. **(10 marks)**

(Total 30 marks)

SECTION B

QUESTION FOUR

In Pensions Administrations and Fund Management, Trustees play a very key role and are entrusted with enormous responsibilities. Discuss the expected roles and functions of Trustees by the Regulators and other stakeholders.

(20 marks)

QUESTION FIVE

“Results of Tender 1684 Held on 5th March, 2020 for Government of Ghana Securities to be issued on 9th March, 2020. GHSGOG059148 3 YR FXR BOND amounted to GHc1,073.81 was Tendered and Accepted at 20.7500% pa”, Daily Graphic, Monday, March 9,2020, page 58.

In your opinion, why do you think there is massive interest in these securities recently as investments in the country?

(20 marks)

QUESTION SIX

Yevugah believes the stock market can work wonders for him. However, Nii Kotey Kotei is 55 years old and also believes that Collective Investment Schemes are far better than shares. Compare and Contrasts the differences between investing in shares and Collective Investment Schemes.

(20 marks)