



CHARTERED INSTITUTE OF BANKERS (GHANA)

ASSOCIATESHIP EXAMINATION

LEVEL I

PRINCIPLES OF BANKING LAW

JULY 2020

N.B:

- 1. Read carefully the instructions on the cover of the answer book.**
- 2. Answer QUESTION ONE (1) and any other FOUR.**
- 3. CANDIDATES MUST SATISFY THE EXAMINER IN QUESTION ONE (1) BY ACHIEVING A MINIMUM OF 14 MARKS IN ORDER TO PASS THE PAPER.**
- 4. All questions except QUESTION 1 (ONE) carry equal marks.**
- 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 used only as 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.**

QUESTION ONE

Ama Too Known, a second-year law student has the tendency of displaying her knowledge and her ignorance in the law to her non law undergraduate students. She has just advised Abena who wants to go into business that the only recognized type of business entity in Ghana is a limited liability company.

Required:

Discuss the veracity or otherwise of this assertion by Ama too known.

(20 marks)

QUESTION TWO

Every simple contract must be supported by consideration. If it is not so supported, it is treated as gratuitous and without legal effect”

Required:

- (i) What is the exception to this general rule? **(5 marks)**
- (ii) What is consideration in contract? **(5 marks)**
- (iii) Supported by decided cases state the various conditions for a valid consideration. **(10 marks)**

(Total marks: 20)

QUESTION THREE

- i. Distinguish between conditions and warranties under a contract. **(5 marks)**
 - a. Explain the importance of the distinction between conditions and warranties. **(5marks)**
- ii. Explain the following types of conditions that appeared in a contract in Sikakrom involving a government Agency and a private company.

- a) Conditions Precedent.
- b) Conditions Subsequent.

(5 marks)

(5 marks)

(Total marks: 20)

QUESTION FOUR

(a) Under the law of Torts, what is a duty of care?

What factors may impose the duty of care?

(10marks)

(b) Discuss the following defences available to the defendant in an action for Tort.

a) Volenti Non Fit Injuria.

(5 marks).

b) Contributory Negligence.

(5 marks)

(Total marks: 20)

QUESTION FIVE

(a) What is defamation?

(2 marks)

Distinguish between

i. Libel.

(4 marks)

ii. Slander.

(4 marks)

as a form of defamation.

(b) State the defences available in a claim against the defendant for defamation?

(10 marks)

(Total marks: 20)

QUESTION SIX

(a) What is a bill of exchange?

(5 marks).

(b) What are the characteristics of negotiability?

(10 marks).

(c) What is the difference between (a) A not negotiable crossing on a cheque and (b) A not transferable crossing on a cheque

(5 marks)

(Total marks: 20)

QUESTION SEVEN

“As soon as an account is opened by a bank for a customer, the banker / customer contract subsists”.: With the aid of decided cases discuss:

- a. The duties of a bank to the customer.
- b. The customer’s duties to the bank.

(10 marks).

(10 marks)

(Total marks: 20)

QUESTION EIGHT

Examine the scope of the following defence under a contract

- (i) Non est Factum (Not my deed).
- (ii) Undue influence.
- (iii) Misrepresentation.
- (iv) Illegality.

(5marks)

(5 marks)

(5 marks)

(5 marks)

(Total marks: 20)