



**Chartered
Institute
of Bankers,
Ghana**

CHARTERED INSTITUTE OF BANKERS, GHANA

**HANDBOOK FOR
THE ASSOCIATE CHARTERED BANKER EXAMINATIONS**

LEVELS I, II, III & IV

2008

TABLE OF CONTENT

INTRODUCTION.....	4
1. EXAMINATION STRUCTURE	5
2. EXAMINATION REGULATION.....	7
LEVEL I COURSES.....	15
I. PRINCIPLES OF BANKING LAW	15
II. INTRODUCTION TO ACCOUNTING	19
II. ECONOMICS IN BANKING	24
III. ELEMENTS OF BANKING.....	28
IV. PRINCIPLES OF MANAGEMENT.....	32
LEVEL 2 COURSES	34
I. LAW RELATING TO BANKING	34
II. MANAGEMENT PRACTICES	37
III. CUSTOMER SERVICES: MARKETING AND THE COMPETITIVE ENVIRONMENT 42	
IV. THE MONETARY AND FINANCIAL SYSTEM.....	47
V. QUANTITATIVE METHODS.....	50
LEVEL III COURSES.....	53
1. FINANCIAL REPORTING, PLANNING, AND ANALYSIS.....	53
III. BANK STRATEGIC INFORMATION MANAGEMENT	58
IV. INTERNATIONAL TRADE FINANCE	61
V. CREDIT MANAGEMENT – LENDING	66
VI. BANKING OPERATIONS: REGULATIONS, MARKET PRACTICE AND TREASURY MANAGEMENT	69
VII. PRACTICE OF BANKING – LAW, AND PRACTICE	72
LEVEL IV COURSES.....	74
I. STRATEGIC MARKETING MANAGEMENT	74
OPTION 1: RETAIL BANKING (COMMERCIAL).....	80
MARKETING OF FINANCIAL SERVICES: PAPER 1.....	80
MICROFINANCE AND RURAL BANKING: Option 1, Paper 2	85
OPTION2. MORTGAGE FINANCE.....	88
MORTGAGE LAW AND PRACTICE – Option 2, PAPER1	88

INSURANCE- Option 2, Paper 2	92
OPTION3 : EXECUTOR & TRUST BUSINESS	96
TAXATION: Option 3, Paper2.....	99
OPTION 4: CORPORATE & INTERNATIONAL FINANCE	102
CORPORATE BANKING – LAW AND PRACTICE- Paper 1.....	102
CORPORATE BANKING – FINANCE AND INVESTMENT- Option4, Paper2	107
LEVEL 4: OPTION 5	110
I CORPORATE GOVERNANCE.....	110
Option5: RISK MANAGEMENT Paper 2	115

INTRODUCTION

The Chartered Institute of Bankers has been incorporated in Ghana under the professional Bodies Degree 1973 (NRCD143) The aim of the institute remains basically to provide the educational foundation on which any person can build a successful banking career. It is an important first step towards management and without it, a bank employee cannot hope to climb very far in the profession, The Associateship of the Chartered Institute of Bankers (ACIB) is a professional qualification, not a purely academic one and as such it carries great weight throughout the banking world.

However, traditional training approaches are currently being challenged by the forces of change in the banking and finance industry. These changes include advanced technology, changing legislation, industry restructuring, and new trends in education required to perform banking tasks today.

The impact of technology adds the internationalization of financial firms as well as the demand for technically skilled people to the present situation of the predominance of commercial and managerial skills indicating that our certificate and programmes required important revisions.

As a result, the institute has revised the current syllabus to build on what we know and catch up on what we have missed. In doing so, we have considered the demands on the financial services industry and have tried to respond to them by ensuring continuing professional development programmes.

The examinations are broken into four major levels as summarized on the next page. In addition to the core subjects, there are four optional areas covering the various specializations in banking and finance from which the student is to choose one. The Associateship qualification is awarded at the end of the programme.

The Institute hopes that this new programme would strategically reposition the ACIB qualification as the benchmark in any banking and finance career in Ghana and elsewhere and would also make its professional and student members multi-skilled and adaptable. It is also hoped that the programme would assist members to make informed choices about their future learning needs and allow for a more effective approach to their development.

1. EXAMINATION STRUCTURE

The Professional Banking programme is a four-tier course. Student members are to complete or pass all the courses under each of the **Four Levels** to qualify for graduation. The courses under each level are presented below

LEVEL I

1. Principles of Banking Law
2. Introduction to Accounting
3. Economics in Banking
4. Elements of Banking
5. Principles of Management

LEVEL II

- a. Law Relating to Banking
- b. Management Practices
- c. Customer Services- Marketing & The Competitive Environment
- d. The Monetary and Financial System
- e. Quantitative Methods for Decision Making

LEVEL III

1. Financial Reporting, Planning & Analysis
2. Bank strategic information Management
3. International Trade Finance
4. Credit Management- Lending
5. Banking Operations- Regulation, Market Practice & Treasury Management
6. Practice of Banking - Law and Practice

LEVEL IV

OPTION 1- Retail Banking (Commercial)

- a. Strategic Marketing Management
- b. Retail of Financial Services
- c. Microfinance & Rural Banking

OPTION 2 – Mortgage Finance

- a. Strategic Marketing Management
- b. Mortgage Law & Practice
- c. Insurance

OPTION 3- Executor & Trustee Business

- a. Strategic Marketing Management
- b. Administration of Trust
- c. Taxation

OPTION 4 – Corporate & International Finance

- a. Strategic Marketing Management
- b. Corporate Banking- Practice & Law
- c. Corporate Banking – Finance & Investment

OPTION 5 – Corporate Governance & Risk Management

- a. Strategic Marketing Management
- b. Corporate Governance
- c. Risk Management

2. EXAMINATION REGULATION

(1) ENTRY REQUIREMENT

- a. School Certificate (6 credits) or GCE ‘O’ level with 6 credits in English Language and mathematics, plus “A” level in 3 subjects, 2 which should not be below grade D.
- b. WASSCE or SSSCE; 3 CORE Subjects including Core Mathematics and core English plus 3 Elective from either (1) Business programme or (2) General Arts Programme (Economics, Government, Science & Mathematics).
- c. Minimum 5 credit passes at the General Business Certificate Exams including English Language and Mathematics plus 3 passes at the Advanced Business Certificate Exams.
- d. Any other equivalent professional certificate

(2) CONTENT

The examinations are made up of four levels as summarized in the Examination structure on the previous page.

(3) SEQUENCE OF SUBJECTS

Candidates may take subjects in any sequence at each level provided that the timetable allows. The student members are required to complete the courses under one level before proceeding to the next level. However, they are allowed to carry one course from a preceding Level to the Next level.

(4) EXEMPTION

Holders of degrees from recognized universities, or professional qualifications of a standard and content acceptable to the Institute, will be considered for subject-to-subject exemption as spelled out in the Examination Policy Manual of the Institute.

(5) EXAMINATION REGISTRATION

A student member may not be allowed to register and sit for the examinations if he/ she breaks any rule as outlined in the Professional Code of Ethics. A student member shall qualify to write an examination if.

- a. The candidate completes the prescribed forms.
- b. Pays the prescribed fees and other charges.
- c. Has fully discharged all other obligations to the Institute.
- d. The deadline for submission of examination forms should be strictly adhered to.
- e. Late registration should not be accepted or should attract a penalty per subject to be determined; for five working days after the deadline.
- f. A student member is required to pass papers in one Level before proceeding to the Next level. However, a student is allowed to carry one paper from a preceding Level to the Next level.

(6) EXAMINATION FEES

Completed examination entry forms must be accompanied by evidence of payment of the appropriate fee as indicated on the form. The Examination registration will not be processed if payment has not been done.

(7) REFUND OF EXAMINATION

If after the dosing date for the receipt of examination entries, a candidate withdraws his entry or fails to sit the examination, neither the full fee nor any part thereof will be refunded. However, if a candidate is prevented by ill-health from writing an examination, he/she submit a medical report to that effect, the examination entry will be transferred to the next sitting, but he will forfeit 50% of the examination fee paid.

(8) CLOSING DATE FOR EXAMINATION REGISTRATION

The deadline for submission of examination forms should be strictly adhered to.

Late registration should not be accepted or should attract a penalty per subject to be determined; for five working days after the deadline.

(9) MARKING

In marking, the examiners will consider handwriting and spellings, as well as the content and general style of the answers.

(10) PASS MARKS

The pass standard is the same for both the April and October exams

Pass	-	51-80%
Distinction	-	81%

Fail results are graded in the following bands:

46-50 %	-	Fail A
36-45%	-	Fail B
35% or less	-	Fail C

(11) RESULTS

Results will be released to candidates as follows:

April examination	-	before by end of July
October examination	-	before the end of January the following year

No results will be issued to candidates whose subscriptions or examination fees are not fully paid. The decision of the examiners is final.

(12) CONDUCT OF THE EXAMINATIONS

- (a) Candidates must bring their attendance notice and their laminated ID cards to the examination Centre.
- (b) The examinations will be supervised by responsible persons appointed by the Institute.
- (c) The packets of question papers will be opened in the presence of the candidates at the time of the examination.

- (d) Candidates are not allowed to use a programmable calculator in any examination; only silent non-programmable calculators may be used, no other aids such as books, dictionaries, papers, mathematical tables, or slide rules, are permitted. Any such items which have been brought into the room must be left in the invigilator's care.
- (e) Candidates must not communicate or attempt to communicate with other candidates once the examination has started, nor copy from other candidates' scripts.
- (f) Any candidates who infringe the regulations will be reported to the council of the institute and will be liable to disciplinary action including disqualification from future sittings.
- (g) Candidates should carefully read the instructions on the front page of their question paper before starting to answer the questions and should complete the details required on the front of their answer book. They should ensure that any loose sheets used are fastened together securely in the back of the answer book.
- (h) Fifteen minutes of reading time is allowed for some of the paper at the start; candidates may mark the question paper but must not write the answer-book during the period.
- (i) Candidates will not be admitted to the examination room after the first 45 minutes and may not leave the room within one hour of the start. If candidates do leave before the end of the examination, they must do so as quietly as possible to avoid disturbing those still writing.
- (j) To allow time for revision of the paper, candidates will be told when 15 minutes remain.
- (k) Smoking is not allowed
- (l) No mobile phones
- (m) Candidates have a maximum of seven years to complete the whole programme.

(13) AWARD OF PRIZE

Subject prizes are awarded annually to candidates who score the highest mark in the subject provided the mark is 81% and above in both the April and October examinations. The prizes are named after past presidents of the Institute whilst others are awarded by banks.

The value of each prize is determined from time to time by the council and banks.

(14) RULES AND REGULATIONS GOVERNING IRREGULARITIES DURING EXAMS

All examination malpractices shall be dealt with under the provisions stipulated under the Criminal Code of 1960, Act 29 and 30, as well as approved internal examination regulations of the Institute. These include:

14.1. LEAKAGE

- i. A candidate who is found before or during an examination, to have had foreknowledge of the contents of any examination paper shall be disqualified from taking that examination paper. The candidates' results if he/she had written previous papers in the examination shall be withheld pending approval for the cancellation of the paper by the Council.
- ii. Any individual who: i) Before an examination gives an examination paper/related information to any person or ii) Discloses the contents of any examination paper to any person: ii) Commits an offence and shall be handed over to the Police for prosecution.
- iii. Where cases of leakage are established at a centre, the entire results of the candidates offering the subject(s) at that centre shall be withheld pending approval for the cancellation of the entire results by the Council.
- iv. Where a candidate is involved in the leakage of any subject shall have their entire results withheld pending cancellation by the appropriate committee of Council.

14.2 Impersonation

- i. Where a person is caught impersonating a candidate, that person shall be handed over to the Police for prosecution. The entire results of the person being impersonated and those of the impersonator, if that person is also a candidate, shall be withheld pending approval for cancellation by Council.
- ii. Both the impersonator and the impersonated shall be barred from taking any examination conducted by CIB.
- iii. The Council also reserves the right to publish the names of persons so barred in the students' journal.

14.3 Collusion

- i. Where a candidate is caught during the examination passing notes for help from another candidate (s), receiving or giving assistance, talking with, or colluding in any manner with another candidate(s), the entire results of the candidate(s) involved shall be withheld pending the cancellation of his/her/their result(s) for the subject involved by Council.
- ii. Where cases of cheating are detected in the script(s) and/or otherwise established in one paper, the result of the subject for the candidate(s) involved shall be cancelled by Council.

14.4 Foreign Material

- i. Where a candidate is found in the examination hall with notes, textbooks, prepared materials or any other printed materials, the candidate's entire results in the examination shall be withheld pending the cancellation of the result of the subject involved by Council.
- ii. Where a candidate is found with a programmable calculator in the examination hall, the entire results of the candidate shall be withheld pending the cancellation of the result of the subject involved by Council.
- iii. Where a candidate is found with a mobile phone or any other electronic communication device in the examination hall, the entire results of the candidate shall be withheld pending approval for the cancellation of his/her entire results by Council.

14.5 Irregular Activities Inside or Outside the Examination Hall

a) Where a candidate is apprehended for offence (s) such as those listed below inside or outside the examination hall, the candidate's results in the entire examination shall be withheld pending approval and for cancellation of the entire results by Council.

- i. Stealing, covering, or misappropriating the script(s) of other candidates
- ii. Substituting worked scripts during or after examination
- iii. Seeking or receiving help from non-candidates (s) such as Invigilator(s), Supervisor(s), Teacher(s) or other personalities during the examination.
- iv. Where the person giving help is not a candidate for the examination in session but a prospective candidate, he/she shall be barred from taking any examination conducted by the Institute and will also be reported to the appropriate authority for disciplinary action

to be taken against him/her. In addition to the above action, the candidate's entire results shall be withheld pending approval for the cancellation of the paper by Council.

- v. Where a candidate is apprehended for offence(s) such as those listed below inside or outside the examination hall, the candidate's entire results shall be withheld pending approval for the cancellation of the results by Council.
- vi. Tearing part of the question paper or answer booklet during the examination.
- vii. Refusing to submit worked scripts to the Supervisor after the examination.
- viii. Starting to write an examination before commencement of work is officially announced OR continuing to write after official orders have been given for candidates to stop work.
- ix. Other irregular activities within the immediate precincts of the examination hall before, during or after the examination.

14.6 Insult/Assault on Invigilators and Supervisors, Before, During and After Examination

If it is established that a candidate insults or assaults a supervisor/invigilator in the lawful performance of his/her duties inside or outside the examination hall:

- i. The entire results of the candidates shall be withheld pending investigations of the incident by Council.
- ii. The candidate shall be handed over to the Police for prosecution. In addition, he/she shall be barred from taking any examination conducted by CIB for a period not less than two years.

14.7 Contravention of Instructions to Candidates

Where a candidate, in contravention to the instructions to candidates, writes with a pencil instead of ink, his/her entire results shall be withheld pending cancellation of his/her results for the subject concerned by Council.

14.8 New Cases

As new cases arise which are not covered by the above rules, the Council shall take necessary action.

14.9 Review

These rules shall be subject to review as and when necessary.

LEVEL I COURSES

The following courses are offered under Level I.

I. PRINCIPLES OF BANKING LAW

LEARNING OBJECTIVES

To enable students to:

- a) Demonstrate knowledge and understanding of the principles of law relating to the business of banking
- b) Apply those principles to practical situations and problems
- c) Effectively communicate their responses to such problems to colleagues and customers

A. CONTENT

1. Sources of Law

Custom (including mercantile custom, e.g., negotiable instruments); case law, legislation with examples of relevance to banking, e.g., Bills of Exchange, Cheques, Banking, Delegated Legislation (with relevant examples).

- Ghanaian sources of law
- Role of legislation with reference to banking
- Statutory interpretation – rule in outline only

Learning objective

After studying this topic students should:

- a) Know the sources of law
- b) Understand the relevance of these sources to the business of banking
- c) Be able to apply the law appropriately to given situations

2. Conflict Resolution

- Judicial and quasi-judicial process
Court system – outline knowledge of the role and jurisdiction of the major civil and criminal courts
- Quasi-judicial bodies-outline knowledge of the role and jurisdiction of tribunals and the arbitration process

Learning Objectives

After studying this topic students should:

- a) Be aware of the different processes and institutions for resolving legal and quasi-legal conflicts
- b) Be aware of the wider factors to consider before starting legal proceedings, e.g., cost, publicity, need for a legal ruling

3. Contract Law

- Role of contract law in business transactions e.g., as a regulating and enabling framework of rules.
- Essentials at a contract: the agreement and bargain
- Capacity to make contracts (with special reference to banking e.g., borrowing) of companies, partnerships, minors
- Banker-customer contract; opening and closing an account; types of customers (companies, partnerships, minors, trustees, executors, clubs); effect of death and mental incapacity; express and implied terms; rights and duties; undue influence and misinterpretation; Clayton's Case: use of standard forms by banks; safe custody arrangements

Learning Objectives

After studying this topic students should:

- a) Understand the role of contract law in banking
- b) Be able to explain the nature and essential elements of a contract
- c) Be aware of use and implication of 'standard form' in contracts
- d) Be able to relate and apply legal principles to the banker/customer contract and other typical workplace situations.

4. Property and its Uses as Security

- Real and personal property; estates and interests/ownership and possession; methods of transferring title; documents of title

Security: functions and types; type of security arrangement e.g., whole ownership, documents of title. The nature of mortgage, charge, pledge, lien. Legal and equitable charges.

- How charges are taken over different types of property (in outline)
- Attributes of different types of security

Learning Objectives

After studying this topic students should:

- a) Be able to explain the legal classification of property
- b) Be able to explain how title to different types of property is proved and transferred
- c) Understand the function and attributes to different securities used in banking
- d) Appreciates a bank's position as holder of the security
- e) Be able to relate and apply legal principles to routine bank procedures and workplace situations

5. Cheques and other Means of Payment

- Cheques: definition, types, and effects of crossing; statutory protection of bankers
- Concepts of negotiability and assignment compared development and contemporary use of negotiable instruments
- Issue of a bill; parties to a bill; negotiation; endorsement; discharge; types of holders, as they relate to cheques

Learning Objectives

After studying this topic students should:

- a) Understand the nature and functions of cheques and other bills of exchange.
- b) Be able to relate and apply legal principles to routine bank procedures and typical workplace situations

6. Law of Tort

- Torts under which a bank may face liability
- Negligence, the duty of care owed by a bank
- Strict liability
- Vicarious liability
- Conversion
- Defamation

Learning Objectives

After studying this topic block students should:

- a) Be able to ascertain the bank's liability to others outside the contract
- b) Be able to explain the nature of the law of tort
- c) Appreciate the importance of confidentiality

7. Succession (Testate and Intestate)

- a) Wills: capacity to make Wills
Form of Wills
Revocation of Wills
Codicil
Privileged Wills
Probate

b) Intestate Succession (PNDC Law 111 -113)

Learning Objectives

After studying this topic block students should:

- a) Understand the difference between testate and intestate succession
- b) Be able to explain banks' positions when faced with related problems
- c) Be able to assist customers as to the right procedure to adopt in each use

B. THE QUESTION PAPER

The paper consists of **eight questions** of which five should be answered.

Question one is compulsory. The candidate must answer question one and any other four questions.

N: B: Candidates should score pass marks in question one to pass the paper.

C. RECOMMENDED READING

Anim A. F. K (2007) Principles of Banking Law, Banker's workbook series, CIBGH,
Third Edition.

Anim A. F. K (2005). Principles of Banking Law, Questions and Answers, CIBGH.

Palfreman, D (1991). Banking: The Legal Environment Paperback,
Financial Times Management (Second Edition)

Ollenu, N. A (2009). Principles of Customary Law in Ghana, Published online by
Cambridge University Press.

Ollenu, N.A(2009). The Law of Testate and Intestate Succession in Ghana, Published online by
Cambridge University Press.

WILLIAMS, G & SMITH, A. T. H. (2013). Learning the Law, Published
by Sweet & Maxwell.

Woodman, G.R.O(19680) The Allodial Title to Land, Volume 5, Issue 2

N: B: Students are also advised to obtain the various Acts and Decrees relating to the law in the absence of the relevant textbooks

II. INTRODUCTION TO ACCOUNTING

Course Description

The course is designed to enable students to prepare and interpret appropriate accounting reports. It covers topics such as Accounting Records, Accounting Reports, Types of enterprise and their accounting requirements, Accounting Concepts.

Contents

1. Accounting Records

- a) The books of prime entry and their importance and functions. Daybooks, cash book, and journals. Journalizing of business transactions.
- b) The double entry principle. Advantages and the rule for debiting and crediting. Source documents of business events
- c) Ledger accounts -classification of ledgers and the various types of accounts
- d) Bank reconciliation – The importance of a bank reconciliation statement. Possible cause of difference and preparation of bank reconciliation statement
- e) Trial Balance – The importance and preparation of trial balance. Trial balance and errors

2. Accounting Reports

- a) The purpose and type of accounting reports
- b) Preparation of manufacturing account bringing out clearly Prime Cost, Production Cost and COGS and the treatment of stock of raw materials, work-in-progress and finished goods.
- c) Trading and Profit and Loss Account. The treatment of opening and closing stock and the disclosure of COGS, Gross profit, and profit.
- d) Appropriation Account. Transfer to reserves and divided payments
- e) The Balance Sheet disclosing clearly fixed assets, current assets, capital, long-term and current liabilities
- f) Preparation of accounting reports from incomplete records and the trial balance
- g) Adjusting various types of accounts such as debtors and creditors, accruals and payment, stocks, depreciation, and bad debts.

Students will be expected to have knowledge in the formats and contents of published accounts

3. Types of enterprise and their accounting requirements

3.1 Sole Trader

- Preparation of Trading and Profit and Loss Accounts from a trial balance and from the incomplete records with the use of the accounting equation, Control Accounts and Mark-ups and Margins

- Receipts and Payments Accounts and Income and Expenditure Accounts
- Risk

3.2 Partnership Accounts

- Definition of partnership
- Partnership agreement
- Division of profit
- Partners' Capital and Current Accounts and Profit and Loss Appropriation Account
- Change in membership and profit sharing
- Accounting treatment of admission of a new partner, death/retirement of a partner
- Treatment of the introduction of goodwill and revaluation of assets
- Dissolution of partnership and the use of full and piecemeal realization methods of distribution of proceeds. The rule in Garner vrs Murray

3.3 Limited Company

- Limited Liability
- Formation
- Risk
- Dividends
- Corporate Tax
- Share Capital
- Rights Issue
- Bonus Issue
- Share Premium
- Debentures
- Provisions and Reserve
- Audit
- Companies Acts
- Separation of Ownership and Management
- Company Accounts
- Formation and types of companies
- The advantages and disadvantages of incorporation
- Share capital and the distinction between ordinary shares, preference shares and debentures
- Regulations of accounts and audit with the requirement of Companies Code and the (IFRS)
- The Appropriation accounts
- Disclosure requirement in the Profit and Loss Account and the Balance Sheet
- Format and contents for the preparation of the Financial Statement for publication
- IFRS with the definition and examples of extraordinary items, exception items, and examples of adjustment

4. Asset Valuation, Profit Measurement, and Underlying Accounting Concepts

4.1 Accounting Concepts

- Entity
- Money Measurement
- Matching
- Realization
- Accruals
- Historical cost
- Going concern
- Consistency
- Prudence and Materiality
- Their Relevance and Disclosure (IAS 1)

4.2 Stock Identification and Valuation (IAS 2)

4.3 Depreciation: straight line, reducing balance methods (IAS 16)

4.4 Goodwill

4.5 Capital and revenue expenditure

- Fixed assets and current assets
- Asset revaluation and revaluation reserve

4.6 Long-term and short-term liabilities

4.7 Non-recurrent transactions (IFRS 3)

5. Decision-Making: Preparing and Using Accounting Reports as a Basis for Decision-Making

g. Cost Behaviour

- Fixed and variable costs
- Contribution costing

h. Break-even Analysis

- Calculation of break-even point
- Limitations

i. Forecast Results

- The cash forecast
- Forecast trading and profit and loss account and balance sheet

6. Performance Assessment

6.1 Interpretation of accounts using cash flow and ratio analysis

6.2 The cash flow statement (IAS 7)

- Sources of cash (long-term and short-term)

- Uses of cash
- Construction of statement
- Overtrading
- Interpretation of statement (including the use of ratios)

6.3 Importance of working capital/liquidity; matching long-term uses with long-term sources of cash

6.4 Ratio

- Gross profit
- Net profit
- Costs
- Gearing
- Return on capital employed
- Turnover of debtors
- Stock and assets
- Working capital
- Liquidity

4.9 Corporate development and decline as reflected in the accounting statements

6.6. Distribution or reinvestment of profit; dividend policy

6.7. Limitation of Accounts

7. The Business Cycle

- Setting up a business: types of finance and their related obligations and application
- Buying and selling
- The effect of profit on the financial position
- Profit as an increase in capital and net assets
- Effect of individual transactions on the trading and profit and loss account and balance sheet.

THE QUESTION PAPER

The paper contains three sections as follows:

SECTION A:

Consists of **one compulsory question** involving the preparation of final accounts from a trial balance. At least 10 marks must be scored in this question to pass the paper.

SECTION B:

Comprises two questions; at least one of which must be answered. The questions are biased towards essay-type answers, though numerical aspects may be involved.

SECTION C:

Consists of four questions, of which at least two must be answered. The questions range from those requiring purely numerical answers to calculation and interpretation of data.

Each question carries 20 marks, and candidates must answer a total of five questions.

RECOMMENDED READING

Bull, R. J. (1984). Accounting in Business, Butterworth-Heinemann

Mellet, H. J./Edwards J.R. Introduction to Accounting for Banking Certificate. CIB/Bankers Books

Wood, F & Sangster A. (2019). Business Accounting, Vol. 1 & 2 14th, Edition, Pearson

II. ECONOMICS IN BANKING

LEVEL 1 PAPER 3

Objectives

To help students understand the role of economics and the place of banks in the economy. At the end of the course, students should be able to:

- a) Understand how economic events affect their daily work in their banks; the products marketed by their banks; the profits earned by their banks.
- b) Talk and write sensibly to customers and colleagues about economic events as reported in the mass media.
- c) Explain how governments try to manage the economy and the effect of the government's policy on the bank

CONTENTS

1. Price and Output - The Commodity/Industry and the Market

Objective

To understand:

- How prices of commodities and services are determined
- How utility and price determine demand
- How costs and price determine supply
- The concepts of elasticity of supply and demand (including gross income and interest rate elasticities)
- How demand and supply change – increases and decreases: extensions and contractions
- The concepts of joint demand and joint supply

2. Product and Output – The Firm

Learning Objectives

To understand how the price, output, and profits of the firm are determined, remember that every firm needs to have a bank account, so that some of the factors, which affect a bank's commercial customers, need to be studied.

- The features of perfect competition, imperfect competition, oligopoly, and monopoly
- How internal and external economies and diseconomies, together with fixed costs determine the costs of the individual firms (or banks) and how specialization is limited by the extent of the market

3. Price and Output- Inflation and the Gross National Product (GNP)

Learning Objectives

To understand how price levels and national output are determined.

- The various rates of inflation (from creeping to hyper)
- How inflation is measured
- Elementary knowledge of how inflation is measured
- How inflation affects the various parts of the economy
- The three ways in which the national output (GNP) is measured
- How changes in consumption, investment and savings determine changes in the level of GNP
- The role of the banks in financing output and providing payment services for production and distribution
- The extent of unemployment, the different types of unemployment, causes of unemployment, ways of measurement, and the various remedies suggested to the level of unemployment

4. Price and Output International

Learning Objectives

To understand how international trade (goods and services) is determined and how international prices (exchange rates) are determined

- How the principles of comparative advantage explain international trade in capital goods, fuel and raw materials, consumer goods and services
- Sections of a country's balance of trade and balance of payments and how imbalances in those sections can be financed and corrected

5. Banks and other Financial Institutions

Learning Objectives

After studying this topic students should be able to apply the economic theory covered in 1-4 to the banking industry and other financial institutions and to study the banking industry

- The role and functions of the Central Bank
- Differences between Central Banks, commercial banks, merchant banks, and other non-bank financial intermediaries
- The various headings of a bank's balance sheet and profit and loss account
- The main source of bank deposits and bank's assets structure, liquidity, and profitability

- The nature of a bank's costs-economies and diseconomies of scale and barriers of entry (Link to)

How a bank's profit is affected by interest rates, operating costs, and changes in exchange rates (link to 4 and 6)

- Functions and products-credit provision, money transfer, and other services of commercial banks
- The extent of oligopoly and branding in retail banking

6. Money

Objective

After studying this topic block students should have basic knowledge of functions, development, and qualities of money and have some idea of financial assets and their prices (interest rates)

- The definition of money
- The characteristics of assets used as money and the functions performed by money in a modern, industrialist economy
- A working knowledge of the demand for money and near money

NB: Money is to be treated as an asset/ liability and not as a commodity

- Distinguish between nominal and real rates of interest; understand the movement of interest rates, and their effects on economies, exchange rates, banks, and their customers
- How and why the supply of money changes, including a reference to credit creation, fractional multipliers, and the money supply identity

7. Government

Learning Objectives

- Appreciate the importance of government policies and practices for banks and of the rest of the economy (i.e., customers)
- The ways, apart from monetary policy, in which a government can influence economy-by spending, taxing, and borrowing (including the financial of the positive/negative PSBR) and by the legislature (e.g., rationing and exchange controls and exhortation (indicative planning)
- The difference between fiscal policy and monetary policy, broad principles underlying current policies, their interaction, and their effect on the banks and their customer.
- How the Bank of Ghana implements monetary policy
- The need for prudential control of banks and other financial institutions and the ways in which these controls differ from monetary....

- How international agencies, e.g. IBRD can influence an economy

8. Public Finance

- Source of public revenue and items of public expenditure
- Principles of taxation with reference to direct and indirect taxation and identify their advantages and disadvantages
- Show and explain the incidence and effects of taxation with the aid of diagrams
- Principles of government budgeting indicating sources of revenue and areas of expenditure
- A deficit-financing type of budget and inflationary financing type of budget

THE QUESTION PAPER

The paper consists of eight questions of which five must be answered. Each question carries 20 marks

RECOMMENDED READING

AkuAmoah, O. (1999). Economics in Banking CIB, Ghana Revised

AkuAmoah, O. (1999). Economics in Banking Questions and Answers CIB, Ghana

Cox D (1984). Success in Elements of Banking, John Murray Publishers Ltd

Lawal O A & Lobley Derek 1983). Success in Elements Economics -Second Edition, John Murray Publishers Ltd

Lipscombe, G. I. (1988). Economics and the Bank's Role in the Economy, Ghana, Financial Times Prentice Hall (a Pearson Education company)

Wright, D. and Valentine W. (1988). Business of Banking, Northcote House Publisher Ltd.

III. ELEMENTS OF BANKING

LEVEL 1 PAPER

OBJECTIVE

To understand the operations of the banks and to instill professional ethics and good standards of practice in Banking in Ghana and the international field.

CONTENT

1. DEVELOPMENT AND THE BANKING SYSTEM

- Financial Institutions Overview – (Money and capital markets)
- Bank of Ghana (central banking)
- The commercial banks
- The development banks
- The merchant banks
- The savings movement
- The rural banks

2. BANKING LAW 1989 (PNDC LAW 225) – MAIN FEATURES

3. BANKERS AND CUSTOMERS RELATIONSHIP

- The business of banking and the relationship between the banker and the customer
- Secrecy
- Mandates, power of attorney, delegation, appropriation of payment, set-off, opinions, indemnities
- Opening, conducting, closing of accounts

4. ELECTRONIC BANKING

- Computer system in the organization
- Information processing
 - Data processing and report generation
- Data security
- E-Banking products and Services
- Frauds in e-banking environment
- Risk management in e-banking
- Future of electronic\digital banking e.g., systems and product development

5. TYPES OF ACCOUNTS AND BANKING SERVICES

6. AN OUTLINE OF THE SERVICES RENDERED BY THE BANKS TO BOTH PERSONAL AND BUSINESS CUSTOMERS

7. CURRENT, LOAN AND SAVINGS ACCOUNTS

8. LENDING

- The basic principles of good lending both on a secured or an unsecured basis to both private and trading customers
- The lending environment
- Credit analysis
- Types of borrowers

9. SECURITIES FOR ADVANCES

- Valuation of securities usually taken by bankers, including shares, land and building, life policies, guarantee, debenture, and floating charges, book-debts, contract, procedure and goods.
- The methods of constituting valid security over each of these types of security, their release on repayment or realization on default

10. INTERPRETATION OF ACCOUNTING STATEMENTS

- The assessment of proposals on the interpretation and criticism of accounting statements including balance sheets, profit and loss accounts, and fund flow statements
- An understanding of the credit- control regulations and directives of the bank of Ghana are also expected from candidates

11. REVIEW AND CONTROL OF ACCOUNTS

- Describe the information available in bank records and outline methods of using it to monitor trends on borrowing accounts
- Explain the purpose of reviewing accounts. Recognize the need for early action to remedy adverse trends

12. BAD AND DOUBTFUL DEBTS

- Identify causes and warning signs of possible problems with borrowing customers
- Explain the stages of recovering bad debts and describe the methods of legal proceedings
- Describe problems experienced in recovering bad debts and explain how they are overcome

- Explain the impact of exchange control restraints
- Describe the methods of finance available to exporters

13. INTERNATIONAL TRADE FOR EXPORTERS AND IMPORTERS

- Explain the terminology used
- Interbank Nostro and Vostro accounts
- Discuss the risks and processes inherent in international trade
- Describe the methods of settlement; detail the procedures involved in the documentation required
- Explain the impact of exchange control restraints
- List the main sources of advice, help, and information for both importers and exporters
- Describe the method of finance available to the exporter
- Acceptance credits
- Exchange rate

14. REMITTANCE AND RECEIPT

List the various ways of transferring funds between individuals in different countries; explain their advantages and drawbacks

15. ETHICS IN BANKING

- Concept of ethics
- Social values and norms
- Ethical consideration in business
- Concept of social responsibility in business
- Ethical conflict and its resolution
- Basic personal attributes required of a banker, the importance of honesty, integrity, and good judgment
- The banker's role as trustees and custodians of customers' funds
- Adherence to the highest standards of ethics
- Code of conduct

THE QUESTION PAPER

The paper consists of eight (8) questions, out of which five (5) must be answered. Each question carries 20 marks

RECOMMENDED READING

Chartered Institute of Bankers, Ghana (2021). Ghana Banking Code of Ethics and Business
Conduct

Davies, R. & Keams, M. (1992), Banking Operations: Bankers Books.
Financial Times Prentice Hall; 2nd edition

Perry F E (1989). The Elements of Banking, Taylor & Francis Ltd, Revised version

Cox D, (1987) . Success in Elements of Banking, John Murray.

IV. PRINCIPLES OF MANAGEMENT

LEVEL 1 PAPER

Objective

To provide the student with knowledge in an integrated framework that is essential to help them learn how to analyze, synthesize, and determine actions based on contemporary management thought

To enable the student to define, explain, and apply in the work environment, management concepts, theories, processes, models, tools, and techniques

CONTENT

1. ASPECTS OF COMMUNICATION SKILLS

Building blocks of effective messages; organizational communication; interpersonal communication; reports

2. INTRODUCTION TO MANAGEMENT

Definition of management; principles of management; levels of management; functions of management; management roles; management skills; entrepreneurship and management

3. TECHNIQUES AND TOOLS OF MANAGEMENT

Vision and mission statements; strategic planning; benchmarking; business process reengineering; total quality management (TQM); productivity improvement; team building; job analysis, change management

4. MANAGERIAL FUNCTIONS

Planning; organizing; leading; controlling

5. THE ORGANISATION AND DESIGN

Organizational structure; organizational design; job descriptions; organizational communication and reporting systems; line and staff functions

6. GENERAL MANAGEMENT PRACTICES

Recruitment; motivation; managing people; employee empowerment; quality improvement; productivity improvement; management of risks, management of mistakes; decision-making; management of rewards; management of creativity; communication styles; leadership/management styles; socialization; best management practices

7. HUMAN RELATIONS

Unions; organizing and collective bargaining; grievance handling; mediation; negotiation; conflict management; consensus building; arbitration

8. STRATEGIC PLANNING

Vision; Mission; Values; environmental scanning; key issues; strategy formulation; objectives; outputs; activities; inputs; resource inventory; implementation plan

9. CUSTOMER RELATION

Understanding and identifying the customer; understanding customer care; service etiquette; managing service quality; handling service breakdown communicating with the customer

THE QUESTION PAPER

The paper is divided into three (3) sections; candidates should answer four (4) questions, including at least one (1) from each section

Section (A) consists of two (2) questions on topics of current interest management and/or the banking industry

Section (B) consists of four (4) questions on the theoretical aspects of management organizations, processes, systems, practices, tools, and techniques, models, and functions

Section (C) consists of two (2) case studies in which candidates will be required to apply theory to practical situations.

RECOMMENDED

Leslie R & Lloyd B (2013). Management: Skill and Application, New York, NY: McGraw-Hill, (14th Edition)

Wright, P & Noe, R. (1995) Management of Organizations, Richard d Irwin

Gatewood, R. & Taylor, R (1995) Management Comprehension, McGraw-Hill Education (ISE Editions); International Edition.

Kitty O Locker(nd). Business and Administrative Communication, (11TH Edition)

K. Asare-Bediako(nd). Professional Skills in Human Resource Management

LEVEL 2 COURSES

I. LAW RELATING TO BANKING

The subject

This course gives you a clear understanding of the legal principles, underlying the provision of Financial Services. It enables you to make sound business decisions based on your knowledge of banks and customers' rights and duties and the law relating to cheques and other payment systems. It will give you detailed knowledge and the legal principles affecting insolvency and security.

The subject covers: introductory principles of law; the bankers/customer relationship and the rights and duties of each party; types of customers such as individuals, minors, trustee accounts, limited companies; cheques and payment system' and security

Aim and Objectives

On completion of the course, students should be able to:

- Demonstrate a clear understanding of the legal principles governing the provision of financial services
- Explain and discuss the legal framework and definitions of the banker/customer relationship, including rights and duties of the parties, and issues of lien and appropriation.
- Demonstrate a detailed understanding of the legal issues affecting types of customers, specifically including issues such as opening accounts, incapacity, mandates, and the effect of the Consumer Credit Act and determining events
- Explain and discuss the legal rules and duties relating to paper and electronic payment systems, including the duties and rights of collecting and paying banks, forgery, and the clearing system, with reference to the Banking Code and the Consumer Credit Act
- Summarise and discuss issues of insolvency, including individuals and corporate arrangements, and their impact on the financial service providers.
- Discuss the general principles of security sought by tenders' and be able to define and demonstrate an understanding of the legal implications of different types of security in respect of individuals and/or companies including undue influence and realization of security
- Make sound business decisions based on knowledge and understanding of the legal principles and apply such knowledge to the day-to-day financial services environment.

Apply case law where relevant

CONTENTS

- Agency
- Partnership
- Companies
- An introduction of the banker's lien, rights of appropriation (including the effect of Clayton's case), and a combination

1.1 The paying bank and the customer

- The mandate and the Bank's authority to debit accounts
- Forgery and estoppels of the customer
- Recovery of money wrongly paid

1.2 Paying bank and true owner of a bill; the protection given to the bank (Sections 57-59-79 and 5(3) of the Bills of Exchange Act 1961 (Act 55))

(Note: There is no statutory provision in Ghanaian law corresponding to Section 1 of the English Cheques Act 1957 bank as a holder in due course).

1.3 Collecting bank and its customer duty to present for collection and other duties

1.4 Collecting bank and true owner; section g I of BOE 1961 (Act 55)

2.0 Banks and Agency

- Nature of agency
- Types of authority
- Creation and termination
- Rights and duties of principal-agent
- Relation of principal and agent to third parties
- The bank as agent (with special reference to possible conflicts of interest, particularly in financial conglomerates)

3.0 Partnership Customers

- Corporate personality of the firm – S 12 of the Incorporated Private Partnerships Act 1962 (Act 152)
- Registration of partnerships firms Act 152
- Relation of partners sections 34-36 of Act 152
- Relationship of firm and partners to outsiders, SS 14-18 of Act 152
- The joint and several mandate SSS 15 and 16 of Act 152
- Property rights of partnership S 37 of Act 152
- Relationship of firm and partners to lenders
- Revocation of continuing guarantees S 19
- Creation of mortgages and floating charges
- Registration of charges
- Memorandum of satisfaction on the discharge of charges SS 21-28
- Registration constituting notices S 31
- Winding up of the firm in outline SSS 41-51

4.0 Company Customers

- Formation and Structures of companies and effect of the regulation on transactions (Note: section 24 of the Companies Code 1963 (Act 197) as to the ambit of the ultra vires doctrine in Ghana
- Special problems arising from bank's involvement in loans to directors, or in providing financial assistance for share purchases
- Complications of agency in dealing with company directors with partner
- The extent of actual and ostensible authority

5.0 Insolvent Customers

- Insolvency Act (Act 53)
- Winding up of partnerships and limited liability companies under section 47 of Act 152 and Bodies Corporation (Office Liquidations) Act 1963 (Act 180), respectively
- Voluntary arrangement SS 229-235 of the Companies Code, 1968, (Act 179)
- Receivership and Mergers SS 236-245 of Act 179
- Grounds for the petition for winding up
- Partnership SS 47-48 of Act 152
- Limited liability companies Act 180

6.0 Recovery of Debt

- Order of priority in payment
- Preferential creditors
- Disqualification of directors

THE QUESTION PAPER

The paper is divided into three sections -A, B, C.

Each section contains three (3) questions. Candidates are required to answer five (5) questions in all – at least once, but not more than two, from each section of the paper

RECOMMENDED READING

Awuah, M . E (2017). Law Relating to Banking (3rd edition). CIBGh Workbook Series

II. MANAGEMENT PRACTICES

The Subject

Effective management within rapidly changing organisations is one of the biggest challenges facing financial services professionals today. This course will provide you with knowledge against which to judge issues relating to management and the organization of work and will help you through an improved understanding of the problems, to become a more flexible and effective manager

Covers: management, organization, and financial services within a cultural, socio-economic, legal and political context; managing individuals and groups; different types of organizational structures; information systems; human resource management; management theories; processes and practices; different organizational systems

objectives

on completion of the course students should be able to:

- Examine and make reasoned judgments on a range of issues relating to the influences that impact upon management and organization within the context of the financial services environment
- Acquire and apply the requisite range of specialized skill managerial techniques to a variety of individual and group situations
- Critically evaluate a range of situations in relation to organizational structures, information systems and human resources
- Engage in academic and practitioner debate relating to management theories, processes and practices
- Analyse and evaluate strategic issues relating to organizational systems including the workforce, production, and overall performance.

ASSESSMENT

Time allowed: **Three hours**

Examination format: The paper is divided into two sections:

Section A consists of one question, which will test the set reading element and will constitute 40% of the overall marks available. **Section B** consists of five 20-mark questions, of which three should be answered. Calculators: calculators are not to be used.

CONTENTS

1.0 Management and organization in context

1.1 Managing and organizing as part of a cultural, economic, legal, moral, political, and technological

environment

Legal, ethical, political, economic, social, technological, and competitive influences on business activity; corporate goals and how they are achieved

1.2 Financial Services in Context

The changing nature of financial services

Deregulation and competition

Risk and regulation

Consumer protection

Restructuring

2.0 Managing People and Groups

2.1 People as individuals

- Self-development
- perceptions
- attitudes and differences in people
- roles and relationships
- occupation stress
- managing boss/subordinate relationships
- selection
- induction
- interviewing; training
- coaching and developing
- motivating
- feedback and appraising
- career management
- exiting
- counselling

2.2 People in Groups

- Group dynamics
- Communication systems
- Team working
- Motivating and controlling groups
- Managing and participating in meetings

Decisions

3.0 PEOPLE IN ORGANISATIONS

3.1 Organisational Design and Development

- Organizational and hierarchical structures
- Organizational cultures
- Power and authority in organisations
- Communication in organization; inter-departmental co-operation the ‘internal’ customer
- Compensation systems
- Management control
- Forms of organization such as mass production
- Flexible specialization
- The virtual organization

3.2 Information Systems

- Importance of technology
- Management and information systems
- Cost management and budgetary control
- Risk analysis and management

3.3 Human Resource Management

- HR and business strategy
- Recruitment and selection procedures
- Work and job design
- Training and career development systems
- Job evaluation
- Equal opportunities
- Management of change
- Discipline procedures
- Grievance procedures
- Appraisal systems
- Personnel policy
- Employee relations

4.0 MANAGEMENT THEORIES, PROCESSES AND PRACTICES

4.1 'The manager'

- The functions of management
- Management roles and the transition to management
- Authority and control

4.2 Managing Risk and Uncertainty

- Corporate strategy and planning mergers and acquisitions
- Forecasting; organizing
- Monitoring and controlling
- Feedback
- Change management and innovation
- Regulation and compliance
- Product development
- The consumer

4.3 Managing People and Processes

- Leadership and management style
- Human resource management
- Skill and control
- Time management
- Project management
- Total quality management
- Re-engineering
- welfare

4.4 Managing Customers

- relationship management with internal and external customers
- customer care and service
- service quality
- mass customisation

5.0 ORGANISATIONAL SYSTEM

5.1 Changing Divisions of Labour

- The labour markets
- Work and occupation
- Gender, race, and class at work
- Professions and professionalism
- Specialist and the expertise culture

5.2 Changing Systems of Work Organisation

- Bureaucracy
- Scientific management
- Mass production
- Unit production
- Process production
- The flexible firm
- Entrepreneurship and entrepreneurship
- Japanisation

5.3 Structure and Performance

- One best way
- Contingency theory
- Organizational politics
- Globalization
- The virtual organization
- Joint-stock corporation
- Mutual societies
- Self-regulatory organisations

6.0 BUSINESS ETHICS

THE QUESTION PAPER

The paper is divided into three (3) sections; candidates should answer four (4) questions, including at least one (1) from each section

Section A consists of three (3) questions on topics of current interest to management and/ or the financial services industry

Section B consists of two (2) questions on theoretical aspects of management organisations, systems, people, or the individual

Section C contains three (3) scenario questions in which candidates are asked to apply theory to practical situations

RECOMMENDED READING

Whyte, I & Plenderleith, J. (1990). Management in Banking, CIB Bankers Books, London

Coult, C. F (1992). Management in Banking, Second edition, Pitman

Cohen, G. J (1990) Effective Management in Financial Services, Springer London, The Limited

Croft, L (nd) Management in Banking, Bankers Workbook series, Sheffield Hallam University

III. CUSTOMER SERVICES: MARKETING AND THE COMPETITIVE ENVIRONMENT

The subject

The subject covers: marketing theory, research and planning; the marketing mix; the relationship between profit, services and customer selection; organization of branch market research; monitoring of competitors and their sales activities; sales planning and operation; the sales interview; creating a sales team; campaign selling; developing a customer relationship through understanding needs; creating and managing image; communication and presentation skills; customer versus organization needs; delivery and follow-up; evaluation and monitoring; health and safety issues

Aims and Objectives

To enable students to develop their understanding of:

- Basic marketing philosophy and principles
- Planning marketing and conducting sales within the competitive environment
- Customer services and the importance of customer relationship

CONTENTS

Marketing

1.1 Basic marketing philosophy

- Defining marketing and its role as a management science
- Needs of the market versus needs of the seller
- Importance of matching profit goals with customer satisfaction
- Reason for setting goals
- Maximizing use of scarce resources

1.2 Marketing mix (including the way each element interacts with the other and which aspects can be influenced in a branch environment). Students should be able to match customers to products and show sensitivity and flexibility in dealing with different types of customers

1.3 Principles of marketing financial services

- Understanding and identifying buyers
- Segmenting markets
- Sources and use of market research
- Marketing plan frameworks and the interaction between the stages

1.4 Logic of a corporate plan and marketing plans contained therein

- Structure of a corporate plan
- Structure of a marketing plan
- Inter-relationship of the plans and the elements in each

1.5 Relationship between profit, services, and customer selection

- The commercial factors that influence customer selection
- Specific issues relating to costs versus profits
- Reachability and time scales (ie the ability of an organization to make contact with potential customers in a timely manner)
- Influences of the features of the products and needs of the customer-on-customer selection
- Transactional vs. relationship approach

1.6 How to organize market research

- Why use market research
- Area's worthy of research; use of centralized information systems
- Detailed customer profiling
- Application of external market data
- Benefits of keeping up to date with changes in the local community
- Methods of gathering information
- Interpreting and using locally gathered research data

Sales

2.1 Personal services: features and benefits of savings and investment opportunities; credit cards; cash dispensers; travel facilities; home banking; insurance; pensions and executor/trustee services; unit trusts

2.2 Corporate services; features and benefits of computer-based cash management services, discounting, money transmission (including customer credit cards) BACS

2.3 Knowledge of Competitors and Their Sales Activities

- Who they are?
- The markets under threat (customer segments)
- Features and benefits of competitor services
- Competitive strength and weakness in key product areas

2.4 Planning and conducting sales activity

- Benefits of planning
- The planning logic
- Templates for sales and campaign activity plans
- Understanding the interaction of the elements in a plan
- Introducing, controlling, and monitoring the outcome of sales/promotional plans
- Different requirements of corporate and personal markets

2.5 Campaign selling

- Constituents for success
- Postal
- Telephone
- Identifying target audiences
- Different services require different approaches
- Cross-selling

2.6 The sales interview

- Understanding the buying process
- Preparing for a sales interview
- Setting objectives
- Structure, content, and style
- Identifying and validating needs with benefits
- Overcoming objections
- Closing the sale
- Follow up

3.0 SERVICE STANDARDS

Creating, maintaining, and developing over time the customer relationship

3.1 understanding individual customer expectations in terms of:

- Present and future needs and service requirements
- Charges for services
- Codes of conduct and professionalism

3.2 presentation skills

- Face to face, written and telephone
- Making the best use of technology
- In branch displays, seminars, and other forms of local campaign activity

3.3 creating a positive, professional, and knowledgeable image

- Importance of personal style and product knowledge
- Developing effective communication techniques
- Self organisation

3.4 communication

- Interview skills including interpretation of customer requirement/problems
- Special techniques for stress situations
- Formulating solutions

- Prioritizing customer and organization requirements
- Planning, structure and recording interviews, and information

3.5 Balancing the needs of customers with those of the organization in terms of profit, cost, time, and resources

3.6 Controlling the delivery and follow-up activity

- Allocation of responsibilities
- Systems/records
- Maximizing internal communication and records to improve service
- Gaining support from colleagues
- Security and confidentiality

3.7 Evaluating changes to improve customer services

- Sources of information
- Storing and evaluating information
- Reporting lines and presenting proposals

3.8 Monitoring and improving personal performance

- Criteria and benchmarks
- Self-assessment and assessment by others

3.9 Legal issues: the application of legal considerations in marketing financial services

- Students should know the legislative restraints on the bank's business- the Banking Law 2003 Act 613, Companies Code 1963 (Act 179) subsequent and related legislation

THE QUESTION PAPER

The examination paper consists of seven questions, of which candidates are required to answer any five (5). Each question is worth 20 marks

ASSESSMENT

Time allowed, three (3) hours

Calculators: calculators may not be used

RECOMMENDED READING

Boakye-Kutin, M. (2009). Customer Services-Marketing and the Competitive Environment, Bankers Work Book Series, CIB,Gh,

Clifford Duke Mettle, (2012). Marketing of Financial Services, Bankers Work Book Series, CIB,Gh, Bloomberg Press; 2nd edition

Kotler P and Armstrong G (2011). Marketing, Prentice Hall, (14th edition)

Marsh J, (1991). Managing Financial Services, FT Prentice Hall,(Rev Ed. Edition)

IV. THE MONETARY AND FINANCIAL SYSTEM

Nature of the subject

This course is designed to give you a full in-depth understanding of the industry in which you work. It will enable you to understand the role and functions of major financial institutions and markets the nature and functions of the major cash and derivative market financial instruments; the domestic and international regulatory environment in which financial institutions operate; the implication for the financial service industry of the conduct of monetary policy; the major economic and other factors influencing the determination of interest rates and exchange rates, and the basic principle of personal and corporate financial risk management. Overall, it will give you an excellent insight into the importance of banking activities - the measurement of risk.

The course covers; the properties and pricing of financial assets, financial institutions and markets, and their regulation; derivative instruments; the analysis of interest rate and exchange rates; monetary policy; corporate sector financial...; personal sector finance and the housing market.

Objective

On completion of the course student should be able to:

- Acquire and apply specialized, up to date knowledge relating to the properties and pricing of financial assets
- Discuss the role and functions of major financial institutions and market
- Explain the nature and functions of major cash and derivative market financial instruments
- Debate issues relating to the domestic and international regulatory environment in which financial institutions operate
- Examine the implications of the conduct of monetary policy for the financial service industry
- Analyse the major factor influencing the determination of interest rates and exchange rates
- Examine the principles of personal and corporate financial risk management, with particular emphasis on the financial service environment
- Understand how each of the above creates risk and opportunities in business

CONTENTS

1. Money and inflation

- The nature and function of liquidity
- The value of money including a simple understanding of the use of indices in measuring the change in money's value
- The composition of the money stock

- Alternative measure of money and liquidity in a modern economy
- Inflation, its causes, and its effects

2. Financial institutions

- The nature of financial intermediation
- The principal institutions and their respective roles and operations
- Their profitable and prudential management
- The functions of the Bank of Ghana

3. Financial markets in Ghana

- The main financial market in Ghana, including the discount market and the capital market
- The methods of operations of the Bank of Ghana in the money market
- The Stock Exchange Act 1971 (Act 384)

4. The money supply

- The determinants of money supply growth, including the way in which factors such as the budget surplus or deficit, public sector debt sales, bank lending and 'external' factors, affect the money supply.
- The inter-relationship between changes in money supply and changes in bank balance sheets

5. Interest rates

- The determinants of the general level and pattern of interest rates
- The term structure of interest rates
- Distinction between 'real' and nominal interest rates
- The relationship between domestic, international, and eurocurrency

6. Economic policy

- Aims of economic policy
- The effectiveness and limitations of monetary policy and its relationship with fiscal policy
- General techniques of monetary control
- The influence of monetary policy on the banking system
- Principles of demand management

7. Balance of payment

- The structure of the balance of payment in general and of Ghana's in particular, including an appreciation of recent influences
- Causes of changes in the balance; methods of adjusting the balance
- Financing a current account deficit

8. Exchange rates

- Determinants of exchange rate movements
- The different types of exchange rate regime (NB: fixed and floating systems)
- The relationship between exchange rates and interest rates

9. Supervision & regulation: Banking Law 2004

- The regulatory framework in which banks operate and the implications for the size and structure of bank's balance sheets
- The regulatory investment in respect of investment business

10. corporate finance & Risk management

- Instruments used in corporate short-term and long-term borrowing and finance
- Reasons for hedging and the instruments used, notable forward exchange cover, interest and currency swap

THE QUESTION PAPER

The paper contains eight (8) questions, from which candidates are required to answer any four (4). Each question carries 25 marks

RECOMMENDED READING

Incoom, S. E. (2012). The Monetary and Financial System, workbook series, CIBGh

Beecham, B. Julian. (1990). The Monetary and Financial System, Times Prentice Hall (a Pearson Education company); 3rd edition

V. QUANTITATIVE METHODS

The Subject

In order to make good decisions, you need to have access to relevant information. Business information often comes in numbers and statistics forms. The quantitative methods course enables you to make good decisions and to organize and understand numbers. It also provides knowledge and skills required to process, utilize and manipulate numerical information of the type and style found in the business environment. Students enrolling in business studies programs without formal mathematical qualifications will find the subject very useful.

Objectives

Candidates will be able to:

- 1.0 Distinguish between different types of data and different data collection processes
- 1.1 explain the main sources and types of data (including primary and secondary data, discrete and continuous data, quantitative and categorical data)
- 1.2 Distinguish between alternative measurement scales (nominal, ordinal, interval and ratio scales)
- 1.3 Compare and contrast alternative sampling methods and understand the main features of surveys, questionnaire design, and the concept of sampling error bias
- 2.0 Present data effectively and compute and interpret a range of summary statistics
- 2.1 construct appropriate tables and charts, including frequency and cumulative frequency distributions and their graphical representations
- 2.2 calculate and interpret measures of location, dispersion, relative dispersion and skewness for ungrouped and grouped data
- 2.3 compute unweighted and weighted index numbers and understand their applications
- 2.4 change the base period of an index number series
- 3.0 Explain the basic concepts of probability and probability distributions and compute probabilities
- 3.1 demonstrate an understanding of the basic rules of probability
- 3.2 Explain the conditions under which the binomial and Poisson distributions may be used and apply them to compute probabilities
- 3.3 Explain the characteristics of the normal distribution and apply it to compute probabilities

- 4.0 Apply concepts of probability to analyse business decision making under conditions of uncertainty
 - 4.1 Explain and calculate Expected Monetary Values (EMVs) and construct probability trees
 - 4.2 Construct decision trees and show how they can be used as an aid to business decision-making under uncertainty
 - 4.3 Discuss the limitations of EMV analysis in business decision making
- 5.0 Apply the normal and distributions in estimation and hypothesis testing and conduct chi-squared tests
 - 5.1 Explain and discuss the importance of sampling, theory, and the central limit theorem
 - 5.2 construct and interpret confidence intervals, using the normal or distribution, as appropriate, and calculate the sample size required to estimate population values to within given limits
 - 5.3 conduct hypothesis tests of a single mean, a single proportion of the difference between two means, and the difference between two proportions
 - 5.4 conduct chi-squared test of goodness-of-fit and independence and interpret the results
- 6.0 Apply correlation and regression analysis to identify the strength and form of relationship between variables
 - 6.1 Construct scatter diagrams to illustrate the linear association between two variables and comment on the shape of the graph
 - 6.2 calculate and interpret Pearson's coefficient of correlation and Spearman's 'rank' correlation coefficient and distinguish between correlation and causality
 - 6.3 Estimate the 'least squares regression line for a two-variable model and interpret basic results from simple and multiples regression models
 - 6.4 use an estimated regression equation to make predictions and comment on their likely accuracy
- 7.0 demonstrate how time-series analysis can be used in business forecasting
 - 7.1 Distinguish between the various components of a time series (trend, cyclical variation, seasonal variation and random variation)
 - 7.2 Estimate a trend by applying the method of moving averages and simple linear regression
 - 7.3 Apply the additive and multiplicative models to estimate seasonal factors
 - 7.4 Use estimates of the trend and seasonal factors to forecast future values (and comment on their likely accuracy) and to compute seasonally adjusted data
- 8.0 Explain how mathematical relationships can be applied in the solution of economic and business problems

8.1 Use algebraic and graphical representations of demand and supply functions to determine the equilibrium price and quantity in a competitive market

8.2 Analyse the effects of changes in the market (e.g., the imposition of sales) on the equilibrium price and quantity

8.3 Apply break-even analysis to determine the output decisions to firms and to analyse the effects of changes in the cost and revenue functions

8.4 discuss the importance and explain the limitations of simple break-even analysis

Throughout, students will be expected to be able to define relevant terms, discuss the importance of statistical and mathematical concepts business decision-making and to interpret all results

ASSESSMENT

Assessment method: written examination

Length of examination: three hours

Candidates would answer four questions from a choice of eight, each question carrying equal marks of 25.

RECOMMENDED READING

Curwin J, Slater R (2002). Quantitative Methods for Business Decisions, (5th Edition)

Burton C, Carrol G, Wall S (2002). Quantitative Methods for Business and Economics. Prentice-Hall, 2nd Edition

Darah, P.K. (Unpublished) Quantitative Analysis and Decision Making, Bankers Workbook Series, CIB, GH

LEVEL III COURSES

1. FINANCIAL REPORTING, PLANNING, AND ANALYSIS

The subject

An understanding of accounting information, an ability to prepare and interpret a balance sheet or cash flow statement, is essential to business planning. This course enables the student to understand the statutory requirements and accounting standards employed in financial reports and accounts, and the content and structure of those reports. You will be equipped to undertake financial analysis, including traditional accounting ratios and cash flow analysis, and to understand business valuation and corporate structures.

The subject covers the financial reporting framework, the practical aspects of financial reporting, such as the valuation of tangible and intangible assets and taxation; capital structures; the interpretation of financial reports; and management control.

Aims and Objectives

You are expected to achieve:

- A clear understanding of the statutory requirements and accounting standards adopted in the construction of financial reports and accounts.
- A clear understanding of the content and structure of financial reports including group financial statements
- A detailed study of financial analysis including traditional accounting ratios and cash flow analysis, and an appreciation of methods of predicting corporate success and failure.
- A clear understanding of business valuation and corporate structures including reconstructions.
- A selective study of business planning and decision-making including cost behaviour, investment appraisal and forecasting.

The course covers the nature and use of accounting information, relating to business entities, available to practicing bankers. The legal and regulatory frameworks, within which information is produced are reviewed as the limitations of published accounts. From this basis, the analysis of a business is developed and an introduction to business planning is also included in the syllabus.

Subjects not covered by this syllabus

1. CCA and CPP accounting other than an understanding of capital maintenance concepts.
2. Foreign currency translation
3. Lessors accounting for leased assets
4. Pension scheme accounts
5. A detailed knowledge of VAT and corporate tax
6. Capital gains tax

Contents

1.1 Financial reporting framework

The conceptual aspect

- Accounting concepts, bases and policies (GNASB 1, IAS 1)/framework
- Objectives of financial statements
- User groups
- Guidelines for financial reporting standards
- Desirable characteristics of accounting reports
- Materiality and substance over form
- Statement of principles

1.2 Sources of Authority

- The legal framework
- Accounting requirements of the Companies Act 173 of 1963
- The impact of 4th, 7th, and 8th European Directives.
- The statutory formats for the presentation of accounts (ignoring small and medium-sized companies)

1.3 the Regulatory Framework

- Accounting Standard Board
- Financial Reporting Council
- Urgent Issues Task Force
- Financial Reporting Review Panel
- The standard-setting process, advantages and disadvantages of standardization

1.4 Knowledge of Standards and Accounting Practice

1.5 Audit and Corporate Governance

The true and fair view, the audit qualification, the Cadbury report, responsibility of directors

1.6 What is Profit

Approaches to profit measurement; historical cost approach, adjusted historical cost, replacement cost, net realizable value, present value, capital maintenance, the usefulness of different profit measurements.

1.7 limitation of historic cost statement

- Lack of forecast information
- Cost vrs value
- Asset values and the calculation of expenditure
- Undisclosed assets and liabilities

- Window dressing

1.8 distribution of profits

- Relevant provisions of the Companies Act 173 of 1963 (including actual calculations)
- Realised profits

2. financial reporting – The Practical Aspects

2.1 Valuation of Tangible Assets

The identification of fixed assets and their cost, capitalization of interest costs, enhancement costs and valuations of fixed assets, bases of valuation, open market value and depreciated replacement cost, qualifications of valuers, permanent diminution of value, revaluation reserves, depreciation, FRS 15, GNASB 10, IAS 4; depreciation accounting, SSAP 19, stock and long term contracts, GNASB 9, IAS 16; accounting for property, plant, and equipment SSAP 9, (calculation of profits on long term contracts).

2.2 Valuation of Intangible Assets

Accounting for research and development (SSAP 13), goodwill and intangible assets (FRS 10)/IAS 38

2.3 Fair Value Accounting

The fair value of assets and liabilities (FRS 7 and FRS 15) and impairment (FRS 11) IAS 36

2.4 Accounting for Liabilities

FRS 4 and capital instruments, accounting for post-balance sheets events (SSAP 17), accounting for provisions and contingencies (FRS 12), accounting for pension costs (SSAP 24) IAS 10, IAS 19, IAS 37.

2.5 Financial Statements -Form and Content

FRS 3 and reporting financial performance, accounting for leases and hire purchase (SSAP 21), reflecting the substance of transactions (FRS 5) segmental reporting (SSAP 25) historical summaries, reporting to employees, earnings per share (FRS 14), treatment of government grants (SSAP 4), related party disclosures (FRS 8). IAS 1, IFR 58, IAS 33, IAS 24

2.6 Taxation

Mainstream corporation tax and deferred taxation (SSAP 8 SSAP 15)

2.7 Accounting for Investment and Business Combinations

The accounting treatment of associates and joint ventures (FRS 9) group accounts and consolidation of subsidiary companies (FRS 2 and FRS 6) fair value of assets and liabilities (FRS 7) and treatment of goodwill (FRS 10)

3. Capital Structures

3.1 Capital Reorganisation

Redemption and purchase of shares; capital reduction and reconstruction, evaluation of capital reconstruction scheme; liquidations

3.2 valuations of a Business

Buyers and sellers, break-up valuation, going concern valuation, book value, replacement costs, earnings yield valuation, dividend yield valuation, cash flow valuation, valuation of the minority in interest.

4.1 Ratio Analysis

Principles of ratio analysis, objectives, classification of accounting ratios, liquidity and solvency ratios, interest cover and gearing/leverage ratios, working capital ratio and cash operation cycle, asset utilization ratios, shareholder ratios including EPS (exclude diluted EPS), limitation of accounting ratios, full interpretation of all ratios including the possible reason for the change in the trend of ratios.

4.2 Cash Flow Statement and Cash Flow Analysis

Preparation of cash flow statements in accordance with FRS1, interpretation of cash flow statements including calculations of cash flow ratios for cash margins on sales, interest cover on a cash flow basis, the relationship between cash flow and operating profits, and a comparison of conventional ratios and cash flow ratios, the problem of over-trading, predicting corporate failure.

5. MANAGEMENT CONTROL

5.1 Cost Behaviour

Cost behaviour and analysis, classification of cost into a fixed and variable cost, contribution costing and break-even analysis, profit equilibrium, the margin of safety, stepped cost and curvilinear (semi-variable) costs and revenues, multi-products, and multiple break-even points, limiting factors, sunk cost, and marginal cost.

5.2 Capital Investment

Reasons for capital expenditure (expansion, modernization, repair/renewal, lease or buy decisions), allocation of scarce economic resources, method of assessment of capital expenditure including the following: payback, accounting rate of return, net present value, internal rate of return, inflation, and investment decisions.

5.3 Plans, Forecasts, and Budgets

Need for planning, forecasting, and budget, the forecasting of cash flows, projected balance sheets, and profit and loss accounts, impact of VAT, alternative courses of action, budgeting, planning and control, the budget of a business including sales budget, production budget, general administration budget, cash budget, master budget, capital expenditure budget and financing budget.

ASSESSMENT

THE QUESTION PAPER

The paper is divided into two sections:

SECTION A

Consists of one question which will also test the set reading element and will constitute 40% of the overall marks available.

SECTION B

Consists of five 20-mark questions, of which three should be answered

Calculators: non-programmable calculators that are silent in operation may be used in this examination.

Time allowed: three hours, in addition, 15 minutes of reading time is allowed before the start of the examination.

RECOMMENDED READING

David Alexander, Annie Britton (2005). International Reporting, Planning & Analysis, Cengage Learning Business Press; 2nd edition.

Bishop, M.; Evans, J. Hughes, M. & Woods M.M. (1996). International Reporting, Planning & Analysis, Financial World Publishing, English edition.

Lawrence, R. D., Collins W. & Bruce Johnson W. (2021). International Reporting, Planning & Analysis, New York, NY McGraw-Hill Education, (Eighth edition)

III. BANK STRATEGIC INFORMATION MANAGEMENT

The Subject

Bank Strategic Information Management is the collection and management of information from one or more sources and the distribution of that information to one or more clients. This involves how information is regularly disseminated across computer networks and by other electronic means. It also involves those who have a stake in, or right to that information. Management means the organization of and control over the structure, processing, and delivery of information. In short, Bank Strategic Information Management entails organizing, retrieving, acquiring, and maintaining the information within the financial services environment.

CONTENTS

- 1.1 Banks information requirements, uses and the value of information (cost/benefit analysis);
- 1.2 Data collection, information delivery within the bank, use of internet/intranet, electronic commerce, knowledge management, information systems.
- 1.3 The strategic planning processes

2.0 BUSINESS ANALYSIS

- 2.1 business systems and systems thinking, business v systems analysis and approaches to systems analysis
- 2.2 defining the required situation, defining the current situation, gap analysis and business case development
- 2.3 implementing change

3.0 INFORMATION SYSTEMS AND COMPETITIVE POSITION

- 3.1 Link between business and information systems strategy
- 3.2 information technology (IT) and competition
- 3.3 internet as a strategic business tool
- 3.4 Data management, IT and Business Process Engineering
- 3.5 IT investment decisions

4.0 INFORMATION SYSTEMS AND THE BANK

- 4.1 Impact of information technology on work practices, using IT to manage individuals' information requirements
- 4.2 Impact of IT on employee/employer relations

5.0 CHANNEL BANKING STRATEGY

- 5.1 developing and building a channel strategy

5.2 managing an efficient and profitable mix of delivery channels

5.3 New opportunities at the traditional customer touchpoint. E.g. ATMs, Mondex points, CATs (Customer Access Terminals)

5.4 Impact of emerging technology on financial service delivery

6.0 CARD MANAGEMENT

6.1 Strategic business planning

- Analysing
- Deciding
- Planning
- Actioning the plan
- Evaluating

6.2 Marketing

- Introduction to card marketing
- Customer needs and market analysis
- Understanding the competition
- Card product development
- Launching a new product
- The impact of technology on card marketing

6.3 Risk Management

- Thinking risk
- Recruiting merchants
- Managing fraud

6.4 Operations

- Introduction to operations
- Managing issues in operations
- Customer service
- Managing technology

6.5 Assessing Business Performance

- First ideas
- The financial chart of your card business
- Measuring your profitability
- Measuring your cost

THE QUESTION PAPER

Candidates are required to answer five questions out of a total of eight. Each question carries 20 marks.

RECOMMENDED READING

Galliers, R. and Baker, B.S.H. (2009). Challenges and Strategies in Managing Information Systems, 4th Edition, First edition eBook Published 18 June 2014

J. Webb (2008) Strategic Information Management (SIM), 1st edition

Lartey, S (unpublished). Bank Strategic Information Management Workbook Series, CIB, GH

Rainer Jr. R. K.; Brad P. and Cegielsk. C (2012). Introduction to Information Systems Supporting and Transforming Business, Wiley

IV. INTERNATIONAL TRADE FINANCE

THE SUBJECT

Enables you to understand the methods employed and the customers engaged in international trade to appreciate the features and benefits of the range of service providers in the field; to understand the international payment systems that are in place and the regulations and procedures adopted; and to recognize the terminology used in international trade. The subject covers the meaning of international trade finance and payment and risk management services; financial services provided by banks and from other sources; methods of trading, trade promotion and assistance or advice available from banks and other sources.

Objectives

To enable candidates to:

- Know the ways in which international trade is undertaken, settled and financed.
- Appreciate the types of customers engaged in international trade and their needs
- Know the features and benefits of services provided by banks, building societies and other sources
- Understand the international payment systems that are in place and the regulations and procedures adopted.
- Recognize the terminology used in international trade and be aware of the content and use of documentation

Note:

1. You are advised to study the following subjects prior to sitting this paper:
Law & Practice/Law Relating to financial services
2. The syllabus covers transactions, which are governed by Ghanaian law and English law and do not conflict with the laws of the European union. However, candidates should understand the practice of 'availsation' which is common in the European union but not recognized under English law as this service is being provided increasingly by English banks against a suitable indemnity.

Candidates should also have a basic knowledge of the delivery and clearing systems, which operate in the UK, e.g., CHAPS and the clearinghouse system, both the sterling and currency settlements.

CONTENTS

1.0 The meaning of International Trade Finance/Payment and Risk Management Services

1.1 the meaning of international trade finance. Types of customers in Ghana and abroad include service companies, exporters, importers, merchants/traders, and companies with domestic trade and overseas representation; their needs and the opportunities to banks and other sources that these present.

1.2 Advantages and disadvantages of settlement in foreign currencies

- Rates of exchange
- Factors which affect the movement of rates
- Protection against exchange risks
- Mechanics of forward contracts
- The utilization of foreign currency accounts for matching foreign currency positions
- Foreign currency borrowing/deposits and pure currency options (in general terms only)
- Eurocurrency rates. The European Monetary System (EMS).
- Exchange Rate Mechanism (ERM); the European Currency Unit (ECU)
- The implication of European Economic and Monetary Union (EMU) and a single currency
- Why international trade differs from domestic trade
- The growth of world trade and changes in its commodity and geographical composition. The importance of services in international trade

1.3 Multilateral versus Bilateral Trade

- Explanation for the emergence and growth of countertrade (who countertrades and why)
- The merits and dangers of countertrade in market economies
- The distinction between financial, commercial, and industrial countertrade
- The role of banks when goods trade for goods.

1.4. How and why firms enter foreign trade

- Channels of entry into foreign markets
- Exporting and characteristics of successful firms in foreign markets
- International licensing, franchising, and joint ventures
- The role of agents, distributors, and export houses

1.5 Payment settlement and clearing systems in cedi and foreign currencies including CHAPS

- Electronic banking systems necessary to provide international trade finance to customers
- International payment systems; cheques, drafts, mail and telegraphic payment orders (including express money transfers), SWIFT and international money orders; nostro and vostro accounts and procedures (in general terms).
- Electronic banking services including payment and credit cards, giro transfers and means of making regular payments.

- Regulations to prevent fraud and money laundering
- Payment and collection services available from correspondent banks abroad.

1.6 Commercial terms, including INCOTERMS, used in the delivery of goods and for payments in domestic and international trade; responsibilities of the parties involved.

1.7 Types and uses of bills of exchange; features and functions of basic shipping, transport and insurance documents used in international trade.

- Control and transfer of ownership of goods and insurance
- Implications of Electronic Data Interchange (EDI)

1.8 Risk inherent in granting periods of credit in connection with trade dependent on the particular terms of payment, including open account trading.

Credit management including protection against credit, political and economic risks by means of private insurance – including NCM Credit Ltd (formerly the insurance service group-and factoring)

Bank undertakings as a means of securing and obtaining payment, including documentary letters of credit, guarantees, standby letters of credit and guaranteed bills of exchange.

1.9 Collection of cheques and bills of exchange both clean and documentary, terminology, and procedures. The role of banks (a detailed knowledge of Uniform Rules for Collections in particular ICC 5222 and the relevant features of the Bill of Exchange Act 1882 as amended are expected).

1.10 The main types of documentary letters of credit and their documentary requirements and operation. Liabilities and responsibilities of banks (detailed knowledge of Uniform Customs and Practice for Documentary Credits UCP 600 is expected, including ICC 522).

2.0 FINANCIAL SERVICES FROM BANKS AND OTHER SOURCES

2.1 Documentary letters of credit as a means of obtaining finance or providing credit; the financial uses of credits including acceptance/deferred payment credits, discounting and forfeiting; red clause letters of credit, transferrable and back-to-back credits, revolving and reinstatement letters of credit.

2.2 The different types of short-term export finance including over-drafts and loans, considering security considerations and recourse.

- The provision of pre-shipment finance by banks against acceptable bills of exchange, letters of credit or commercial contracts.
- Short-term export finance utilizing the benefits of credit insurance policies in favour of banks
- Assignment and management of policies

- Foreign cheques, domestic or foreign bills of exchange, negotiation, advances and discounting
 - Liabilities of parties involved
 - Discounting and forfeiting arrangements
 - Other forms of short-term financing from banks and other sources, including the banks' confirming houses and factoring and invoice discounting subsidiaries.
- 2.3 Finance against ECGD schemes.** The banks' medium-term schemes with or without ECGD cover, including the Supplier Credit Financing Facility (SCF) and buyer credit, lines of credit facilities, leasing, forfeiting and export finance houses. Different types of bank guarantees and bonds as a means of providing finance. Support available from insurance companies. Standby letters of credit (including knowledge of International Standby Practice, ISP 590)
- 2.4 Import financing,** including produce/merchandise advances by means of overdrafts and loans against the security of goods; documentation required by banks (an appreciation only)
- Other forms of import financing, including clean acceptance credits, import factoring, import finance houses and hire purchase
 - Indemnities and guarantees, including VAT deferment
 - Considerations when handling inward bills and issuing documentary letters of credit
 -

3.0 METHODS OF TRADING; TRADE PROMOTION; ASSISTANCE/ADVICE FROM BANKS AND OTHER SOURCES

3.1 methods by which international trade may be conducted included.

- Direct/indirect exports, merchanting
- Export of services
- Countertrade (including barter and compensation trade and other similar schemes) in general terms only
- Overseas representation, including agents and distributors, international franchising and licensing operations – in general terms only

3.2 Trade promotion services from banks and other sources to develop trade and investment in Ghana, including services for customers new to international trade, international services from banks, including trade opportunities, letters of introduction, sources of information/advice using correspondent banks, including status reports, economic conditions, entry to overseas markets, etc. Assistance/advice available from government, particularly overseas services (FCO and DTI) and other sources of help.

3.3 Business travel arrangements; the provision of cash, traveler's cheques. etc, appropriate to customer needs

3.4 Banking services available from banks and other sources abroad, particularly in other European countries

3.5 Techniques of international trade finance that can be utilized in domestic trade.

ASSESSMENT

THE QUESTION PAPER

The paper is divided into three sections, which correspond with the three sections of the syllabus:

Section A consists of four questions from which candidates are required to answer three

Section B consists of two questions of which one should be answered

Section C consists of two questions of which one should be answered

All questions carry 20 marks

Time allowed; Three hours: in addition, 15 minutes' reading time is allowed before the start of the examination.

RECOMMENDED READING

Dr Richmond Atuahene, FCIB (2014). International Trade Finance, Bankers Workbook Series, CIB, GH (Revised edition)

White, B. C (1989). A simple guide to Trade Finance, Hyperion Books

Beecham and Witing D. P (1991). Trade Finance – Payments and Services, BPP publishing ltd

V. CREDIT MANAGEMENT – LENDING

The Subject

This course is designed to enable you to demonstrate your understanding of the techniques of good credit assessment, with particular emphasis on evaluating the risks associated with lending to personal customers and smaller and middle-market business customers. The course covers analysis of accounting statements for lending purposes; assessment of a lending proposition; factors creating credit risks and its control; security; lending requirements of different types of business; advances; other specialist bank services related to lending.

Objectives

To enable you to demonstrate your understanding of the techniques of the good credit assessment with particular emphasis on evaluating the risks associated with lending to personal customers and smaller and middle-market business customers.

Note: You are advised to study the following subjects prior to sitting this paper: ****Law Relating to financial service, Law and Practice, Financial Reporting, Planning, and Analysis.

CONTENTS

The Principles of Good Lending

1. Understand the general concepts of good control of credit risk in lending institutions and demonstrate a good knowledge of the theoretical and practical issues which create a credit risk and how they can be dealt with.
2. The interpretation and criticisms for lending purposes of accounting include:
 - Balance sheets
 - Profit and loss statements
 - Cash flow statements
 - Budgets and cash flow forecasts
3. A reasoned assessment of a lending proposition to produce a recommendation of decision, including knowledge of the risk involved in contingent liabilities.
4. An appreciation of what security (if any) would be appropriate and the conditions on which assistance would be given (including interest rates and fees).
 - Where a bank is lending pending repayment from sale of assets (bridging finance).
 - Where the source of repayment is not, in the lender's eye, fully certain and there is no readily available alternative source etc.
 - Appreciation of security concern under GONE CONCERN.
 - Understanding cost in the sale of land and property
 - Appreciation of different securities

- Land and property
 - Guarantees and other third-party securities
 - Insurance
 - stock
5. An understanding of the requirements of different types of business such as:
 - Retailing
 - Other service industries
 - Wholesaling
 - Manufacturing
 - Farming
 - Building
 - Franchising
 - ‘Professionals’ – e.g. doctors, dentists, solicitors, accountants, (This list is not exhaustive)
 6. Advances to personal customers, including house mortgages, bridging loans and probate advances
 7. A knowledge of bank specialist services which might be marketed in a lending situation

ASSESSMENT

THE QUESTION PAPER

The paper is divided into two sections:

Section A contains three 30-mark questions on small and medium sized corporate (or personal sector) lending of which two questions should be answered.

Section B contains three 20-mark questions, each a theoretical question of which two questions should be answered

Calculators: non-programmable calculators which are silent in operation may be used in this examination

Time allowed: Three hours; in addition, 15 minutes reading time is allowed before the start of the examination.

RECOMMENDED READING

Abrukwah, C. (2017). Credit Management Workbook, CIB, GH.

Rouse, C.N. (2010). Bankers Lending Techniques, Global Professional Publishing;(3rd edition)

Rouse, C.N. (1999). Applied Lending Techniques, London CIB,

Dyer, L.S(1987). A practical Approach to Bank Lending, CIB.GH

Huthison, H. H. and Paperback, Dyer, L. S. (1981) interpretation of balance sheets, (5th Edition rev)

Others

- a) Newspapers and Professional Publication e.g., Financial Times, Economist
- b) Past Examination's Reports

VI. BANKING OPERATIONS: REGULATIONS, MARKET PRACTICE AND TREASURY MANAGEMENT

The Subject

This course enables you to understand the role and responsibilities of a bank's treasury, the practices involved in the markets where a bank operates, and the impact of regulations on its activities. It covers treasury management of financial services institutions; banking and investment supervision and regulation; market practice and procedures.

Objectives

To enable you to understand:

- The role and responsibilities of a bank's treasury
- The practices involved in the markets where it operates
- The impact of regulation on its activities

Notes

- You are advised to study the following subjects prior to sitting this paper:
Financial Reporting, Planning and Analysis
- This syllabus is concerned with money market, foreign exchange and capital market business from the point of view of the bank. This includes the role of the bank's treasury in controlling risk, and the impact of external regulation. While, most emphasis is placed on the Ghana market, the London market and regulation as applied by the Bank of Ghana, candidates are expected to have a general awareness of practices in the USA, Japan and the principal European Union countries.

CONTENTS

1.0 TREASURY MANAGEMENT OF FINANCIAL SERVICES INSTITUTIONS

1.1 The management of the bank's own balance sheet exposures:

- liquidity and cash management
- interest rate mismatch
- foreign exchange (transaction and translation exposure)

1.2 The management of capital:

- need of capital
- raising debt and equity
- funding of investments

1.3 Prudential control:

- Monitoring and control of dealing operations
- Avoidance of conflicts of interest
- Internal audit and compliance functions

(This is to examine the role of the banks own treasury and not the bank as provider of these services to corporate customers)

2.0 BANKING AND INVESTMENT SUPERVISION AND REGULATION

2.1 Capital adequacy - the activities of the Basel Group of supervisors and the application of their suggested rules in Ghana, the UK, USA, Japan, and the European Union.

2.2 Bank of Ghana control of banks' foreign exchange exposure, liquidity and position risk. Control of the wholesale markets in Ghana (if applicable).

2.3 Securitisation: Regulations relating to the use of securitization as a means of managing banks' balance sheets in Ghana, the UK and the USA.

2.4 Regulation of the euro markets. Standard terms for currency and interest rates swaps (BBARS and ISDA), options (ICOM) and forward rate agreements (FRABBA).

2.5 regulation of investment business within Ghana. Offshore banking centres – functions, regulation, and developments

3.0 MARKET PRACTICE AND PROCEDURES

3.1 Money markets in Ghana.

- Loans and deposits
- Certificates of deposits
- Bankers' acceptances
- Commercial paper
- Repurchase agreements
- Central money markets office

3.2 foreign exchange: port and forward markets

3.3 Bond markets

- Eurobonds
- Floating rate notes
- Medium term note
- Government securities and mortgage-backed securities in Ghana, the UK and USA.
- Stock lending

3.4 Derivates

- Interest rate and currency swaps
- Forward foreign exchange

- Warrants
- Over the counter options in foreign exchange and interest rates
- Exchange-traded options in foreign exchange
- Interest rates
- Bonds and stock indices
- Future markets in Ghana, UK, USA

ASSESSMENT

THE QUESTION PAPER

The paper is divided into two sections:

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.

Calculators: Non-programmable calculators that are silent in operation may be used in this examination.

Time allowed: Three hours

RECOMMENDED READING

CIB GH, BoG, and GAB. (2021). Ghana Banking Code of Ethics and Business Conduct,

Davies A. and Keans M. (1995). Banking Operations, London Pitman Publishing, (Revised edition)

Henderson M J, (1988). Banking Operations, State Mutual Book & Periodical, (1st edition)

Perry F E (1989). The elements of Banking, Taylor & Francis Ltd

David Cox (1990). Success in Element of Banking, John Murray, (6, illustrated, reprint)

VII. PRACTICE OF BANKING – LAW, AND PRACTICE

The subject

The subject gives a comprehensive exposition of the law and practice of banking. It deals with the various banks' relationship with their customers. The subject also provides valuable safeguards for both practitioners and customers as well as individuals to understand how to deal with each other and the implications arising from different types of accounts and events affecting their banking operations.

Aims and Objectives

To develop students' understanding of:

1. The relationship between banker and customer; banking operations; the implications arising from different types of accounts and events affecting their banking operations.
2. Securities for advance as uncounted by bankers/lenders in common situations.

CONTENT

Recent legislation and case law can have a considerable impact on this subject and students should ensure that they keep abreast of current developments e.g Companies Code (1963) (Act 179), Banking Law 1989 (PNDCL 225)

Section "A"

- a) Banker and Customer Relationship
The general and special relationships between banker and customer, their respective rights and duties, and resultant practice involved in all features of banking transactions and banking business; special relationships arising out of mandates and powers of attorney, appropriation of payments, set off, confidentiality, status opinions and indemnities given to or by the banker, safe custody
- b) Determination of the Banker/Customer Relationship
Action to be taken on the death, mental disorder, insolvency of customers, or upon receipt of garnishee, injunction, sequestration or other legal process.
- c) Banking Transactions
Payments and collection of cheques and other instruments
The respective rights and duties of drawee and drawer the banker, including statutory and other protection. Debit and credit clearing systems. The collecting of cheques and other instruments. Standing orders and direct debts. Safe custody Bills and Exchange Act 1961 (Act 55).
- d) Types of Accounts Holders
Banking practice in opening and conducting accounts, whether in credit or debit for all customers, viz personal customers, including minors, joint account customers, executors,

administrators and trustees, solicitors, estate agents, insurance brokers, unincorporated clubs and societies, partnerships, limited companies, sole proprietors. Dealing with unsatisfactory accounts.

Section “B”

SECURITIES ACCEPTABLE TO BANKERS

Detailed knowledge is required of the suitability of securities whether by first or subsequent charge, and the appropriate methods of valuation and types of charge. Steps to perfect the security and to enable release on repayment or otherwise, or realization of the security on default.

- Quoted and unquoted stocks and charges
- Life policies
- Land and buildings, domestic and industrial, etc
- Debentures, incorporating fixed and /or floating charges
- Assignment of contracts
- Produce and goods
- Agricultural charges
- Guarantees

Knowledge is required of common problems encountered when taking security and upon the enforcement of securities (including competing interests).

THE QUESTION PAPER

The paper is divided into two (2) sections:

Section A contains four (4) questions, three of which are to be attempted

Section B contains (3) questions, two of which should be attempted.

Each question carries 20 marks

RECOMMENDED READING

Gerrar, J.K(1999). Practice of Banking, CIB workbook series, (1st edition)

Kelly, J.E. (1987). Practice of Banking I-; Financial Times Prentice Hall (a Pearson Education Company

Gerrand, P and Doyle, E.P. (1993). Branch Banking – Law and Practice, Northwick publishers (3rd edition)

LEVEL IV COURSES

There are five options of courses under this level. Student members are allowed to select one of the options for specialization. Each Option is made of two elective courses and Strategic Marketing management as core paper.

I. STRATEGIC MARKETING MANAGEMENT

The Subject

Most organizations now accept that corporate objectives are best achieved through concentration on the identification and satisfaction of customer needs. This philosophy applies equally to manufacturing, the public sector, and the financial services industry. This course provides you with a comprehensive insight into the basic disciplines which underlie the marketing philosophy and an in-depth understanding of the functional areas of marketing that are relevant for the financial services industry.

The course covers strategic planning and the strategic planning environment; marketing management, with an emphasis on the marketing of services; marketing planning; market segmentation, targeting and positioning; marketing research and information systems; consumer buyer behaviour; product and pricing decisions; marketing channels; the communications and promotion mix; the extended marketing mix and service quality; ethical issues in marketing; issues for international marketing.

Objectives

This course is designed to teach marketing as a creative and integrative approach to the operation of any organization. It is based upon the recognition that corporate objectives are best achieved through concentration on the identification and satisfaction of customer needs. This philosophy is equally relevant to manufacturing or service industries, consumer or business markets, private or public sector organisations, domestic or international activities.

The programme provides students with a comprehensive insight into the basic disciplines, which underline the marketing philosophy and an in-depth understanding of the functional areas of marketing which are relevant for the financial services industry. Special attention will also be paid to the recent change in emphasis in the marketing of financial services.

CONTENTS

1.0 STRATEGIC PLANNING

- Profit gap analysis and Anosoff's strategic options for closing the gap
- Performance demand

- Porter's competitive forces and strategic alternatives of cost versus differentiation
- Relationship between strategy and structure (Mintzberg)

1.1 The strategic planning environment

- Globalization of markets
- Governmental legislation
- New competitors

1.2 The relationship between marketing strategy and corporate strategy

2.0 MARKETING MANAGEMENT

2.1 Evolution and components of the marketing concept

2.2 Marketing management

- A broadened concept of marketing to include services; not-for-profit; and societal marketing
- The activities involved in marketing management

2.3 The marketing of services

- Definitions of the services sector
- Breadth of service industries, growth areas, trends
- Determinants of growth
- Characteristics of services
- Services marketing concepts and theories
- Ghana's financial services industry

3.0 MARKETING PLANNING

- The market planning process
- The external environment
- The internal environment

4.0 MARKET SEGMENTATION, TARGETING AND POSITIONING

4.1 customer characteristics

4.2 segmenting markets internationally – cultural dimensions

4.3 criteria for targeting a market segment

4.4 defining 'positioning'

4.5 criteria for positioning the product in each market segment

5.0 MARKETING RESEARCH AND INFORMATION SYSTEMS

- Marketing decision making
- Marketing research process
- Exploratory research, descriptive research, casual research, decision making research and the roles of secondary and primary data

5.1 Secondary Data

- External sources
- Internal sources
- Advantages and disadvantages of secondary data

5.2 Primary Research Methods

- Qualitative and quantitative methods; advantages and disadvantages of qualitative and quantitative approaches
- Surveys
- Ad-hoc and longitudinal research: panels

5.3 Marketing information systems and decision support systems

5.4 Uses of marketing research in the marketing of financial services

5.5 Database marketing

6.0 CONSUMER BUYER BEHAVIOUR

6.1 Introduction to consumer behaviour: influences on consumer behaviour

- Individual determinants of consumer behaviour
- Environmental influences on consumer behaviour

6.2 Consumer decision-making processes models and theories in consumer behaviour

6.3 The models and theories in consumer buyer behaviour and their links in marketing management.

- Investigating and reacting to the different sources of influence on consumer choice.
- Marketing communications
- New product development
- Brand loyalty

7.0 ORGANISATIONAL BUYER BEHAVIOUR

7.1 Aspects of organizational buyer behaviour

7.2 Organisation for buying

7.3 Major influences on organizational buying

7.4 Stages in the buying process

8.0 PRODUCT DECISIONS

8.1 Nature of products and brands

8.2 Product planning

8.3 Product development process

8.4 The role of marketing in product development

9.0 PRICING DECISION

9.1 The commercial and competitive significance of price

9.2 The economics of price

9.3 Pricing methods

9.4 The pricing process

9.5 Pricing strategies

9.6 Practical aspects of pricing

10. MARKETING CHANNELS

10.1 Definitions, purpose and forms

10.2 Value added by channel members

- Value to customers
- Value to suppliers
- Cost effective
- Targeting precision

10.3 Environmental influences on the evolution of distribution channels and systems with particular emphasis on deregulation and new technology.

10.4 Channels v Place

11.0 THE COMMUNICATION AND PROMOTION MIX

11.1 The process of communication

11.2 Self-selection and self-retention

11.3 Models relating to the aims of marketing communications

11.4 Techniques of marketing communications

11.5 Evaluation of the communication activity

11.6 Corporate and branch images

11.7 The function and role of agencies in the development of a marketing communication strategy

12.0 EXTENDED MARKETING MIX

- The process of service production and delivery
- Physical evidence
- People

12.1 Customer service and satisfaction, and service quality

- Implications of the characteristics of services on customer service and satisfaction
- The need for service quality
- The benefits of service quality

12.2 The service quality ‘GAP’ model

12.3 Service quality issue

- Identifying determinants and dimensions of service quality
- Measuring the importance of service quality dimensions
- Customer’s expectation of service and perceptions of actual services
- Delivery/performance
- Development service quality initiatives and programmes
- Service guarantees and service recovery

13. ETHICAL ISSUES IN MARKETING

14.0 Marketing revisited

14.1 The transition from transaction-based marketing to relationship-based marketing

14.2 The importance of bank/customer relationships

14.3 Customer portfolio planning

15.0 INTERNALISATION OF MARKETING

15.1 An introduction to international marketing

15.2 The international marketing environment

15.3 International competitive forces

15.4 International marketing strategy: the planning process

15.5 International marketing strategy: options and implementation

ASSESSMENT

THE QUESTION PAPER

TIME allowed: Three hours

Examination format: The paper is divided into two sections:

Section A consists of one question, which will test the set reading element and will constitute 40% of the overall marks available.

Section B consists of five 20-mark questions of which three should be answered.

Calculators: calculators may not be used.

RECOMMENDED READING

Richard M. S. Wilson (2004) Strategic marketing management;(3rd edition)

Collin, G. (2005). Planning, Implementation, and control Butterworth-Heinemann; (3rd edition)

Pearson, D.J. (1992) Strategic marketing management, Butterworth-Heinemann Ltd .

OPTION 1: RETAIL BANKING (COMMERCIAL)

MARKETING OF FINANCIAL SERVICES: PAPER 1

The subject

To provide a comprehensive framework for the application of marketing theory and concepts to the retailing of financial services, focusing on the personal sector and small business markets

Objectives

- To enable students to evaluate critically the competitive retail strategies of financial services organisations
- To enable students to develop implement and evaluate a retail outlet-marketing plan with the emphasis on local and operational issues
-

CONTENTS

1.0 DEFINITION OF RETAILING (I.E. PERSONAL AND SMALL BUSINESS SECTORS)

- The retailing analogy
- The retailing mix
- Marketing planning for retail outlets
- The marketing planning process

1.1 Relationship with Head Office/regional/retail outlet marketing plans

The retail outlet marketing plan

- Setting objectives
- Marketing audit
- SWOT
- Objectives and strategies
- Differentiation
- The branch marketing mix
- Budgets/resources
- Implementation
- Evaluation

2.0 THE FINANCIAL ENVIRONMENT

2.1 The national environment

- personal income and wealth
- socio-economic, political, and demographic trends
- regulation and compliance
- information technology

- internationalization
- market sizes, structures, and trends

2.2 The local environment

- PEST analysis at outlet level

3.0 THE COMPETITIVE ENVIRONMENT FOR RETAIL DISTRIBUTION CHANNELS

3.1 Competitive strategies of financial services retailers

3.2 identifying key competitors

- Traditional
- Non-traditional

3.3 Determining key competitor's objectives

3.4 Identifying key competitor's strategies

3.5 Assessing key competitor's strengths and weaknesses

4.0 CONSUMER BUYING BEHAVIOUR AND SEGMENTATION

4.1 Buyer behaviour for services

4.2 Buyer behaviour for financial services

4.3 customer loyalty

4.4 Attitudes towards credit and debt

4.5 Attitudes towards savings and investment

4.6 Market segmentation

- At a national level
- At a local level

5.0 DISTRIBUTION: OUTLETS LOCATION

5.1 Outlet location and outlet network

5.2 outlet valuation procedures

5.3 opening an outlet

5.4 Decisions to close an outlet

5.5 Centralised operational support

5.6 Locating ATMs

5.7 Locating temporary outlets

6.0 DISTRIBUTION: THE RETAIL OUTLET ENVIRONMENT

6.1 The changing role and face of Ghana outlet design

6.2 The evolution in outlet design

6.3 Merchandising

6.4 Outlet design and reconfiguration programmes

6.5 Key considerations in outlet design

6.6 Measuring design performance

6.7 Evaluating the outlet environment

7.0 DISTRIBUTION: OTHER CHANNELS

7.1 Direct sales forces

7.2 Telephone based channels

7.3 direct response advertising

7.4 ATMs

7.5 EFTPOS

7.6 Intermediaries (including IFAs and brokers)

7.7 Remote trading

8.0 PRODUCT MANAGEMENT

8.1 Influences on product strategies

8.2 Product planning

8.3 Product life cycles and Boston Consulting Group matrix

8.4 Directional policy matrix

8.5 New product development

8.6 Product modification/development

8.7 product elimination

8.8 The role of the branch in product management

9.0 PROMOTION

9.1 Developing the promotional mix

9.2 Advertising

9.3 Publicity

9.4 Sponsorship

9.5 Sales promotion

9.6 Direct mail

9.7 Corporate identify

9.8 The role of the retail outlet in promotional management

10. PRICING

10.1 The pricing of services

10.2 Financial services pricing

- Deposits
- Shares and mutual funds
- Mortgages and loans
- Life, pensions, and general insurance

10.3 The role of the retail outlet in pricing

11.0 SALES MANAGEMENT

11.1 Characteristics of ‘successful’ salespeople

11.2 Selling skills

11.3 The selling process

11.4 Sales training

11.5 Compliance

- Identifying regulated and non-regulated products

11.6 Sales management

- Recruitment
- Remuneration
- Motivation

11.7 The role of the branch in sales management

12.0 SERVICE QUALITY

12.1 Defining service quality

12.2 Customer care

12.3 Service delivery

12.4 Measuring and monitoring service quality

12.5 Management overlaps

12.6 The role of the branch in service delivery

12.7 Customer retention studies

ASSESSMENT

THE QUESTION PAPER

The question paper consists of eight questions. Each question is worth 20 marks. Calculators are not allowed in this examination.

RECOMMENDED READING

Clifford Duke Mettle (2017) Marketing of Financial Services, CIB, GH Handbook- soft copy

MICROFINANCE AND RURAL BANKING: Option 1, Paper 2

The Subject

To make students aware of the importance of the rural economy in the life of Ghanaians and of the need to provide a broad range of financial services to low income households and businesses e.g. farming, cottage industries, rural and community project. The subject also deals with other products such as money transfer, insurance and leasing at the micro level.

Objectives

- To enable students to examine critically the broad range of financial services available to rural industries and communities
- To understand the impact of microfinance on the socio-economic characteristics of rural industries

CONTENTS

1.1 Introduction

- Understanding what Microfinance is and who the Microfinance Institutions are
- Goals of Microfinance
- Role of Micro Finance in Development/Poverty reduction
- Key stakeholders of MFIs in Ghana
 - ✓ Main Practitioners
 - ✓ MF Apex Bodies
 - ✓ Supporting Institutions
 - ✓ Government of Ghana Institutions
- MFI Tiers in Ghana and their features

1.2 Some Characteristics and Mechanisms of Microfinance Institutions

- Common Characteristics of MFIs
- Characteristics of strong MFIs
- Key indicators that ensure the survival and sustainability of MFIs (CAMEL)
- Microfinance Mechanisms
- Why UBs have not been Successful in MF
- How UBs Can Enter the MF Market
- Why MFIs lend to Women

1.3 Microfinance Institutions Regulation and Supervision

- Why Regulation
- Benefits in Regulating MFIs
- When MFIs should be Regulated
- Risk factors of MFIs
- Challenges in Regulation

- Issues to Consider when Regulating MFIs
- Instruments applied by BoG In regulating the MF sector in Ghana

1.4 Products and Services

- Four Broad Categories of services
- Common Products of MFIs
- Product Development Process
- Selected topics in Credit Management
 - ✓ The credit management process
 - ✓ The importance of Credit Policy
 - ✓ Why the high incidence of Non Performing Loans
 - ✓ The credit culture and its effect on loan performance

1.5 Risk in Microfinance Institutions

- The Risk Management Process/Framework
- Risks in MFI Operations and how they can be managed
 - ✓ Credit
 - ✓ Regulatory
 - ✓ Operational
 - ✓ Interest and foreign exchange
 - ✓ Liquidity
 - ✓ Reputational

1.6 Performance Indicators in Microfinance Institutions

- Profitability
- Productivity and Efficiency
- Portfolio Quality
- Leverage and Capital Adequacy
- Financial viability

1.7 Sustainability and Outreach

- Sustainability
- Depth of Outreach and Breadth of outreach

1.8 Role of Capital in Microfinance Operations

1.9 MFI Challenges and Reasons for their Collapse

1.10 Ways to prevent MFI Collapse

2. Rural Banking

- 2.1 History of Rural Banking in Ghana and reasons for their establishment
- 2.2 Association of Rural Banks and ARB Apex Bank

- 2.3 Some achievement of rural banks
- 2.4 Corporate Governance practices in rural banks
- 2.5 Role and functions of rural banks
- 2.6 Prudential Supervision of Rural Banks
- 2.7 Distress in Rural Banks and their Causes
- 2.8 Insurance in Rural Banking
- 2.9 Future of Rural Banking in Ghana
- 2.10 Loan administration and monitoring

ASSESSMENT

THE QUESTION PAPER

The question paper consists of seven (7) questions. Each question is carrying 20 marks. Candidates are required to attempt five (5) questions

RECOMMENDED READING

Matinson, C.A (nd) Microfinance and Rural Banking

OPTION2. MORTGAGE FINANCE

MORTGAGE LAW AND PRACTICE – Option 2, PAPER1

The Subject

This subject equips the student with an understanding of those aspects of law which affect banks and building societies. It covers the outline of law of contract and tort; law of agency; regulations of banks and building societies and complaints mechanisms; operation of investment accounts; constitution of banks and building societies, including the Building Societies Act 19..., the Companies Act 1963 and the Banking Law PND 225...., and other relevant legislation or codes of conduct.

Aims and Objectives

To equip the student with an understanding of those aspects of the law which affect banks and building societies

- The law of contract and tort
- The law of agency
- How banks and building societies are regulated and how complaints are dealt with
- The operation of investment accounts
- How banks and building societies are constituted and the nature of bodies corporate generally

CONTENTS

1. General Principles

Outline of the Law of Contract

- Offer and acceptance
- Privities and assignment
- Consideration
- Capacity
- Misrepresentation and mistake
- Performance and discharge
- Remedies

Outline of Tort

Trespass, defamation, nuisance

Negligence:

- How duty of care arises
- The standard of care
- Proving negligence

- Vicarious liability
 - Damages and other remedies
 - Particular examples – professional negligence by valuers and solicitors
 - Occupier’s liability
2. General
- a) The Consumer Credit Act
- Licensing
 - Advertisements and quotations
 - Entry into credit agreements
 - Matters arising during currency of credit agreements
 - Default and termination
3. The Law of Agency
- Express, implied, and ostensible authority
 - Ratification
 - Relationship between principal and agent
 - Relationship of principal and agent with third parties
 - Particular examples -building society branch agents, building societies as insurance company agents
4. Nature of bodies corporate
- Differences between building societies, limited companies, and other bodies corporate
 - Differences in the concept of a share in a limited company and a share in a building society
5. Unfair terms in consumer contracts regulations
- Scope, unfair terms and their consequences, construction of written contracts, prevention of the continued use of unfair terms
 - Operations of investment accounts (i.e., of accounts in banks and building societies where the investor is not provided with a checkbook)
 - Accounts of individuals (including minors), companies, charities, trustees, nominees, joint accounts
 - Opening accounts and making investments in cash, by cheque, and through the clearing system
 - Money laundering and the obligation to identify customers and report suspicious circumstances
 - Payment and withdrawals
 - Consequences of theft and fraud
 - How interest is calculated and paid. Different ways of expressing interest and the code of practice on advertising deposit accounts

- Operation of an account through a branch, through ATMs, by post, and by telephone
- Offshore accounts with subsidiaries Ghanaian banks and building societies
- Charges, liens, and other interest over investment accounts
- Court orders freezing accounts and attaching the funds invested: garnishee orders, etc
- Powers of attorney
- 6. Regulation and Complaints
 - a) External regulation
 - Differing powers, duties, and constitution of relevant regulatory bodies
 - The building societies commission
 - The Bank of Ghana
 - The Board of Banking Supervision
 - Advertising Standards Authority
 7. Codes of practice and ombudsman schemes
 - The code of practice on the transfer of mortgages
 - The code of practice on the linking of building society services
 - Code of banking practice. Ombudsman schemes-bank, building society, and insurance
 - Data Protection Act
 8. Constitution of Banks and Building Societies
 - a) Building Society statute and case law
 - The Building Societies Act, schedules thereto, subordinate legislation arising therefrom
 - b) Purpose of a building society
 - Establishment, incorporation, constitution, and authorisation
 - c) Land
 - Principles of the power to hold land, to adopt powers to provide services and restrictions thereon
 - To raise funds and borrow (including non-retail funds) limitations thereon – classes of assets, geographical areas of operation
 - d) Management
 - Content, effect, and alteration of rules
 - Disputes
 - Management of building societies
 - Nature of officership, officers' powers and responsibilities, the offices of chief executive and secretary
 - Qualification, appointment, election, duties, responsibilities, powers, obligations and conduct of directors and auditors
 - e) Accounts
 - Annual and other accounts, returns, reports, statements
 - Principles of the law and practice relating to annual, general, and special meetings
 - f) Mergers
 - The law and practice relating to mergers, transfers of business, winding up and dissolution
 - Commissions paid and received restrictions thereon

- g) Protection of investors
 - The Building Societies Investor Protection Board
- h) Companies Act
- i) Company formation

Promotion, incorporation, formation and registration, memorandum and articles of association, doctrine of ultra vires, statutory books, records, returns and registers
- j) Share and loan capital
 - Types of shares
 - Their issue and transfer; insider trading
 - Alterations to capital
 - Dividends; debentures
 - Fixed and floating charges
- k) Reconstruction, mergers, and takeovers
- l) Management and administration
 - Directors; powers, rights, duties and liabilities, appointment, and removal
 - Auditors; appointment and duties, removal
 - Company Secretary; appointment and duties, removal
 - General meetings and their conduct; notice, resolutions, votes and proxies, shareholders rights, majority control, statutory and administrative protection of minorities
- m) Liquidation and dissolutions
 - Voluntary and compulsory liquidation
 - Appointment, rights, and duties of liquidators and receivers
 - Inspections
 - Civil and criminal remedies
- n) Banking Act
- o) Restrictions on the taking of deposits and the use of banking names
- p) The Bank of Ghana and the Board of Banking Supervision
 - Their functions and duties
 - Authorization
 - Directions
 - Objections to controllers
 - Appeals
 - Notification
 - Role of auditors
 - Powers of investigation
 - Control over advertisements
- q) The deposit protection scheme

ASSESSMENT

THE QUESTION PAPER

Time Allowed: three hours

Examination format: The paper is divided into two sections corresponding to the two parts of the syllabus; five questions should be answered as follows:

SECTION A consists of six questions from which candidates should answer three

SECTION B consists of four questions from which candidates should answer two

All questions carry 20 marks

Calculators: calculators may not be used

RECOMMENDED READING

Broadhurst, Philip (1996). Law and Practice for Mortgage Lenders, Financial World
(Publishing;(3rd edition)

Gail Price, Barton (2008). Housing Law & Practice, College of Law Publishing; (2008th edition)

Robert B. Abbey & Mart Richards (2004). The companion to property Law and Practice, OUP
Higher Education Division

Hinkel, Daniel F. (2020). Practical Real Estate Law, Cengage Learning;(8th edition)

INSURANCE- Option 2, Paper 2

This subject enables you to understand within the wider context of financial services, the concept of risk; the development and role of the insurance industry; the various classes of insurance and types of providers; and the legislative environment. It covers scope and purpose of insurance; insurance contracts; classes of insurance; authorization and regulation of intermediaries.

Aims and Objectives

It is to provide an understanding of the following in the wider context of financial services:

- The concept of risk
- The development and role of the insurance industry
- The various classes of insurance and types of providers and

Scope and purpose of Insurance

- I. The place and role of insurance within the financial framework and in relation to other financial institutions

II. Principles of risk and risk management

The need for insurance:

- Property – personal and commercial
- Family - protection, savings and investment
- Liability – individual, company and legal
- Human resources – pensions, key person cover

III. Classes of insurance: private and state insurance

- Compulsory insurance cover
- The impact of consumption

Ghana insurance market:

- Insurance companies
- Brokers and other intermediaries
- Insurance associations
- The impact of regulation and deregulation
- Direct writing

IV. The international insurance market: globalization; harmonization; convergence

V. Insurance contracts

VI. Legal principles of contracts

- Insurance contracts
- Uberrimae fidei (utmost good faith)
- Conditional contracts
- Warranties
- Indemnity
- Subrogation
- Contribution

VII. Insurable interest; proximate cause

VIII. Insurance documentation

- Proposal forms
- Policies certificates of insurance
- Renewal procedures

IX. Claims

- Averaging
- Loss adjusters
- Insurance ombudsman
- Arbitration

X. Risk assessment

- Rating and underwriting
- The impact of competition on pricing; the impact of legislation

- XI. Claims reserving for different classes of business; asset/liability management; portfolio investment; costs and cost allocation
- XII. Classes of insurance
- XIII. Life
 - Term assurance and decreasing term assurance
 - Whole life assurance
 - Endowment assurance
 - Unit-linked assurance
- XIV. Premium calculations:
 - Policy premiums
 - Paid up
 - Surrender value
 - Loans value
- XV. Use of policies for protection/investment; mortgage protection; mortgages and assignment of life policies; mortgage repayment vehicles
- XVI. Other investments
 - Unit trusts
 - Investment trusts
 - Personal equity plans
 - TESSA's
 - ISA's
 - National savings
- XVII. Personal insurances
 - Personal accident
 - Personal liability
 - Permanent health insurance
 - Unemployment
 - Travel
 - Legal expenses
- XVIII. Pensions
 - Annuities
 - Benefits and contributions
 - Individual and self-employed pension contracts
 - Group pensions
 - Taxation treatment of pensions
- XIX. Household
 - Building's cover
 - Contents cover
 - All risks cover and other extensions of policies
- XX. Mortgage related insurance
 - Building policies

- Mortgage Indemnity Insurance (MII): definition; recent developments in how insurers have applied policy terms; the effect on lenders of new policy arrangements
 - Mortgage Payment Protection Insurance (MPPI): developments in the MPPI marketplace following the changes to Income Support Mortgage Interest (ISMI)
- XXI. Motor insurance
- Statutory requirements
 - Types of cover
 - Rating
- XXII. Commercial insurance
- Property
 - Business interruption
 - Liability
- XXIII. Authorization and Regulation of Intermediaries
- Financial Services Act
 - Securities and Investments Board; polarization; self-regulatory organization; personal investment authority
 - Building societies Act

ASSESSMENT

The Question Paper

Time allowed: Three (3) hours

Examination format: the paper consists of eight (8) questions of which any five (5) are to be answered.

All questions carry 20 marks.

Calculators: non-programmable calculators that are silent in operation may be used in this examination.

RECOMMENDED READING

Martin F. G, Robert W. K, Paul R. K, Michael R. and M, (nd)

Catastrophe Insurance: Consumer Demand, Markets and Regulation.

OPTION3: EXECUTOR & TRUST BUSINESS ADMINISTRATION OF TRUST- Paper 1

The Subject

The subject covers basic background concepts and classification of trust; trusts and powers; creation and validity of trust; constitution of trusts; trusts of land; the beneficiary principle; trusteeship; duties and purposes of trustees; breach of trust; variation of trusts; outline of the law of charities and taxation aspects.

Objectives

This paper is specially tailored to enable you to deal competently and knowledgeably with the most common questions and problems that arise in the administration of the trust.

CONTENT

1. Basic concepts
 - a) Parties to a trust
 - b) Modes of creating a trust
 - Declaration of trust by settlor himself
 - Transfer of property to outside trustees
 - c) Trust of an equitable interest
 - d) Termination of trust
 - e) Classification of trust
 - f) Classification of trust
2. Reasons for classifying trust
 - Public and private
 - Express: executed, executory
 - Resulting
 - Constructive
3. Trust and Powers
 - a) Basic nature: “Trusts are imperative: powers are discretionary”
 - b) Fixed and discretionary trusts
 - c) Powers of appointment
 - Fiduciary
 - Non-fiduciary
4. Distinguishing trusts and powers:
 - Gift over in default of appointment
 - No gift over – a question of construction
5. Creation and validity of trusts
 - a) Capacity
 - b) Formal requirements
 - Inter Vivos trusts of land

- Inter Vivos trusts of personality
- Dispositions of equitable interests under existing
- Resulting and constructive trusts
- Will trusts
- Three certainties
- 6. Rules against perpetuities and accumulations
- 7. Constitution gifts
- a) Completely and incompletely constituted trusts
- b) Imperfect gifts
- c) Trust of land
- d) Trusts of Land and Appointments of Trustees Act 1996
- e) Strict settlement
- f) Trust for sale
- g) Co-ownership
- h) The beneficiary principles
- i) The nature of beneficial interest
- j) Class closing rules
- k) Vested and contingent interests
- l) Unincorporated associations

Trusteeship

- m) Appointment, retirement and removal of trustees
- n) Different types of trustees:
 - Managing
 - Custodian
 - Settled land
 - Bare
 - Pension fund
 - Trustees of land
- o) Trust corporations
- p) Trustees and personal representatives distinguished
- q) Duties of trustees
 - To include specific and detailed reference to the liability of fiduciaries with regard to unauthorized profits
 - Powers of trustees
 - To include specific reference to the following
 - Maintenance
 - Advancement
 - Investment of trusts funds
 - Breach of trust
 - Personal remedies
 - Proprietary claims

- Variation of trust
- An outline of the Law of Charities
- Outline of taxation of aspects of trusts
- Miscellaneous
- Trusts to evade creditors
- Secret trusts
- Constructive trustees

ASSESSMENT

THE QUESTION PAPER

Time allowed: Three hours

Examination format: The paper consists of eight 20-mark questions from which you should answer five.

Calculators: calculators may not be used.

RECOMMENDED READING

Joseph C. K, Robert I. L, & John E. K. (nd) Corporate Trust Administration & Management

John Dilger & Simon Jennings (1998). Administration of Trust, Tolley Publishing.

Nigel Clayton & Ian Cairns (IFS). Administration of Trust

TAXATION: Option 3, Paper2**The Subject**

Enables you to understand within the wider context of financial services; the concept of risk; the development and role of the insurance industry; the various classes of insurance and types of providers; and the legislative environment. Covers: scope and purpose of insurance; insurance contracts; classes of insurance; authorization and regulation of intermediaries.

Aims and Objectives

In the wider context of financial services, to provide an understanding of:

- The concept of risk
- The development and role of the insurance industry
- The various classes of insurance and types of providers
- The legislative environment

CONTENT**1. GENERAL AND PERSONAL TAXATION**

- Income tax

Principles and administrative procedures including appeals

Personal income tax computations, including the bases of assessment relevant to different sources of income, personal allowances and charges on income, relief for interest paid, pension contributions, and other deductions.

The taxation of employees includes the tax treatment of benefits received, share options, and profit related to pay. The PAYE system.

Income from property (including premiums) taxed and untaxed interests, dividend income, the accrued income scheme, etc. Taxation for life assurance and building societies financial products

The bases of assessment for trades, business, and professions include the rules for opening the closing years. The adjustment of profit and losses for taxation purposes. The badges of trade.

The system of capital allowance – allowance for plants and machinery, industrial buildings, agricultural buildings, patents, scientific research, and know-how. The definition of plant for capital allowances purposes

Partnership taxation includes the base periods rules, the admission or retirement of a partner, and the appointment of profits and losses between partners.

Relief for trading losses both for continuing trades and on a cessation

Taxation of expatriates

Capital gains

Principles and scope

Computation of gains and losses

Rules applying to particular assets including quote shares

Exemptions and reliefs

Inheritance tax

Chargeable and potentially exempt transfers

The charges on death

Exemptions, reliefs and excluded property

National insurance

Basic principles of its application to employed and self-employed persons include the classes of contributions

Time limits

For elections and claims

2. BUSINESS TAXATION

Corporate Tax

The computation of profits liable to the tax including capital allowance. The rates of tax in differing circumstances and the computation of tax payable

Dividends and ACT

Treatment of groups of companies and consortia

Corporation tax loss reliefs

Close companies and close investment companies

Pay and file

Income tax/ corporation tax

Inland revenue investigation

Value Added Tax

The general provisions of the VAT system including:

- Registration and de-registration

- The principles of standard, zero-rate, exempt supplies and partial exemption
- Groups and divisions
- The penalty provisions

3. TRUST TAXATION

The application of trust taxation

The application to trust deceased's estate and beneficiaries of the provisions of income tax, capital gains, and inheritance tax.

This section includes:

- Inheritance tax on death
- The taxation of estates and beneficiaries during the administration period
- Annuities under will
- Ghana and foreign estates
- Alterations of dispositions after death
- Taxation of life interest, discretionary, accumulation and maintenance trusts, their beneficiaries and settlers
- Settlements where the income is deemed to be that of the settler
- Termination of interests in the trust
- Interaction of taxes as they affect any given transaction

ASSESSMENT

THE QUESTION PAPER

Time allowed: Three hours

Examination format: The paper consists of eight questions, of which five are to be answered.

All questions carry 20 marks

Calculators: non-programmable calculators that are silent in operation may be used in this examination.

RECOMMENDED READING

Julia Holyoake (1997). Insurance, Chartered Institute of Bankers; (3rd Ed edition)

OPTION 4: CORPORATE & INTERNATIONAL FINANCE

CORPORATE BANKING – LAW AND PRACTICE- Paper 1

The Subject

Enables you to understand the legal problems which can arise in transactions with corporate in both UK and abroad, and the ways in which financial institutions can safeguard against such problems. The course covers conflict and choice of laws; jurisdiction; sovereign risk and immunity; facility letters and term loan agreements; syndicated loan agreements (primary syndication) and selling loan assets (secondary syndication) events of default; remedies and enforcement of remedies; enforcement of foreign judgments; euro notes, commercial paper, and Eurobonds; swaps and related instruments; exchange controls; withholding tax/taxation; secured finance and guarantees in the international context; legal aspects of contract guarantees and performance bonds; asset securitisation; legal opinions.

Objectives

To enable you to understand

- The legal problems which can arise in transactions with corporate in both the UK and abroad
- The ways in which financial institutions (and banks in particular) can safeguard against such problems

NOTES

1. You are advised to study the following subject prior to sitting this paper

LAW AND PRACTICE/LAW RELATING TO FINANCIAL SERVICES

The emphasis of this syllabus is placed on the documentation which evidences commercial and international banking transactions. Consequently, an understanding of banking products and services (as dealt with in other examination subjects) is required in order to understand the legal implications

CONTENTS

1. Conflicts of Law

Introduction to principles of private international law; conflict of laws.

How to determine which law should govern a banking contract, and in particular contracts with an international element. The importance of the choice of law clause in international banking agreements; factors influencing the choice of law.

Market practice in relation to choosing law clauses, the use of express choice of law clauses

The proper law concept; the impact of the contracts (Applicable Law) Act

What the proper law governs; the importance of other systems of law; the usefulness of public international law in international banking transactions

The scope and effect of the Rome Convention on the Law Relating to Contractual Obligations 1980

2. Jurisdiction

- The various basis of jurisdiction. How a Ghanaian court would ascertain whether it had jurisdiction.
- The use of express choice of forum clauses, including exclusive and non-exclusive forms. The doctrine of forum non-conveniens
- The importance and use of arbitration in international banking transactions. The impact of the Civil jurisdiction and Judgments Act 1982 and 1991 generally, and on the form of the jurisdiction clause.
- The scope and effect of the Brussels Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial 1968

3. Sovereign Risk/Sovereign Immunity

The legal and practical problems associated with:

- Country lending
- Sovereign immunity
- Political disturbance
- State succession and the act of state doctrine

How to protect the position of the banker within the documentation when entering into a transaction with a sovereign state or state entity.

The scope and the effect of the State Immunity Act of 1978

4. Facility Letters and Term Loan Agreements

- The legal nature of facility letters and term loan agreements, i.e., fixed/floating rates, multi-currency option, and other common variations
- Provisions commonly found in facility letters and term loan agreements, including conditions precedent, representations and warranties, and covenants. The purpose and effect, both legal and practical, of such clauses
- Special problems which are posed where the loan is cross-border or cross-jurisdiction

5. Syndicated loan agreement (Primary Syndication)

- The philosophy and purpose of syndicated loan agreements. The syndication process in practice. The legal obligations created by the offer document and the mandate
- The importance of the information memorandum and the legal difficulties it poses for the managing bank, the participating bank, and the borrower. Exclusion of the liability and the scope and effect of the Unfair Contract Terms Act 1977.
- The rights and duties of the managing and agent banks and the legal relationship existing between such banks and the syndicate members

6. Selling Loan Assets (Secondary Syndication)

Legal and practical problems associated with:

- The transfer and assignment of loans
- Transferable loan instruments, transferable loan certificates, and participation agreements
- Regulatory and balance sheet implications of asset sales

7. Events of Default

- Consideration of the typical events of default incorporated in facility letters and term loan agreements
- The commercial and financial objectives of the clauses used. The legal problems associated with the clauses, include the difficulties posed by the doctrine of waiver.
- Limitations placed on a banker's right to accelerate the loan

8. Remedies and enforcement of remedies

- Availability of specific performance and set-off. The legal problems associated with rescheduling facility letters and term loan agreements to both corporations and sovereign debtors

9. Enforcement of Foreign Judgments

- The distinction between recognition and enforcement
- The traditional basis of enforcements and the impact of the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933
- Enforcement of judgments obtained within the courts of the EU
- The importance of Mareva injunctions and similar types of freezing orders. The effect of the Civil Jurisdiction and Judgments Act 1982 upon the granting of Mareva injunctions

- The scope and effect of the Lugano Convention on Jurisdiction and Enforcement of Judgments in Civil and Commercial Matters 1988
10. Euronotes, Commercial Paper and Eurobonds
- External risk factors with:
- Euronote, commercial paper and Eurobond documentation
 - Legal problems posed by the information memorandum and other offering documentation. Exclusion of liability and the scope and effect of the Unfair Contract Terms Act 1977
 - Documentation: legal problems posed by the dealer agreement, the underwriting agreement, the selling agreement. Conditions precedent, representations and warranties, covenants. The role, position, and responsibilities of a trustee
 - The issue of negotiability
 - The regulatory framework
 - Legal problems posed by sterling commercial paper
11. Swaps and Related Instruments
- The ISDA master agreement(s) and schedule
 - Problems posed by swap documentation with specific reference to the payment, grossing-up, conditions precedent, representations and warranties, covenants, illegality, events of default, termination, compensation, assignment, governing law and jurisdiction clauses
 - Legal problems of netting and set-off. The problem of insolvency.
 - The regulatory framework
12. Exchange controls
- Introduction of exchange control regulation. Common exchange control clause found in international loan agreements. Market practice in relation to exchange control
 - The Bretton Woods Agreement and the role of the common law
13. Withholding Tax/Taxation
- Definition of withholding tax. The importance of double tax treaties. The development of market practice to protect against withholding taxes. Withholding tax avoidance schemes.
 - Grossing-up loans and tax spared loans
14. Secured Finance and Guarantees in the International context
- The purpose of security in international banking. The applications of conflict rules to securities laws. The safeguards that a banker should take to affect an appropriate security interest over the borrower's assets
 - The purpose of guarantees in international lending. Legal constraints on the ability of corporations and sovereign states to give effective guarantees. Protective clauses might be incorporated within the guarantee. The distinction between guarantees and letters of comfort.
15. Legal Aspects of contract Guarantees and Performance Bonds
- Consideration of the types of bonds and guarantees which might be used in international financial transactions and the legal problems associated therewith
 - The distinction between first demand and conditional guarantees. The importance of private international law principles. Recent developments to avoid the unfair calling of bonds. ECGD and general insurance support for the issue of contract bonds. The use of

syndication techniques; the difficulties posed for the bank by the fraud exception; illegality and its effect upon payment

- ICC Uniform Rules for Demand Guarantees and Contract Bonds and their effect upon international finance transactions

16. Asset securitization

The concept of asset securitization and its role in international finance

17. Legal Opinions

- Consideration of the importance of legal opinions in international banking transactions; what the opinion should cover; opinions as to borrowers; status; power and authorization; the form of the opinion; degree of protection afforded by a legal opinion

ASSESSMENT

THE QUESTION PAPER

Time allowed: Three hours: in addition, 15 minutes of reading time is allowed before the start of the examination.

Examination format: the paper is divided into two sections.

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.

Calculators: calculators may not be used.

RECOMMENDED READING

Anu Arora (2004). Corporate Banking Law Institute of Financial Services.

GUP, Benton (2007). Corporate Governance in Banking, Edward Elgar Pub.

CORPORATE BANKING – FINANCE AND INVESTMENT- Option4, Paper2

The subject

understand the needs and problems of international and multinational corporate groups and supranational and identify ways in which these needs can be satisfied from the bank and capital markets. Covers, Banks Lending Services; Cross Border Risks; Quantitative Methods for Corporate Finance; Capital market; Business Valuation, Corporate Treasure Management.

Objectives

- To enable students to understand the needs and problems of international and multinational corporate groups and supranational
- To enable students to identify ways in which these needs can be satisfied from the bank and capital markets

Note:

You are advised to study the following subjects prior to sitting this paper:

- Financial Reporting, Analysis, and Planning
- Corporate Banking-Practice and Law

The emphasis of this syllabus is practical, and you will be required to answer questions that involve the use of a range of commercial and investment banking products and services to provide solutions for clients. An understanding of the technical implications is essential, and knowledge of accountancy and broad taxation issues is assumed.

You will be expected to understand how these ‘solutions will affect the providers, including the impact on regulatory capital. Questions will be set which require answers either from the perspective of the client or the institution providing the service.

CONTENT

1. Bank’s Lending Services

- 1.1 Applications of general principles of lending to particular risks of multinationals, international and supranational borrowers including structural risks
- 1.2 Typical banking products – medium term loans, revolving credits, and acceptance credit facilities
- 1.3 Sources of information, published and third party (e.g., rating agencies) and interpretation
- 1.4 return to lenders, pricing in the light of capital constraints (e.g. through regulatory bodies) syndication, portfolio management from the lender’s perspective.
- 1.5 Loan and Security Documentation

2.0 Cross Border Risks

- 2.1 Sovereign risks and means of assessing and ranking sovereign influence
- 2.2 Joint ventures and other types of lending for particular transactions, e.g. project, asset finance, tax based lending, leasing
- 2.3 Disintermediation and deregulation and impact of widening competitor base

3.0 Investment Analysis and Valuation

- Risk and Return of Investments
- Holding Period Return (HPR)
- Measuring Average Return
- Historic Returns and Expected Returns
- Measuring Risk – Variance
- Standard Deviation
- Population Variance and Sample Variance
- Sample Population and Standard Deviation
- Correlation and Covariance
- Discounted Cashflows

4.0 Valuation of Capital Market Instrument

- Equity
- Debt- Bonds
- Cost of Capital
- Cost of Equity
- Using Cost of Debt and Cost of Equity to Calculate WACC
- Running Yield/Yield to Maturity (YTM)

5.0 Business Valuations

- 5.1 Enterprise Value and Equity Value
- 5.2 Market, Transaction and Break-Up Values
- 5.3 Asset-Based Valuations
- 5.4 Dividend-Based Valuations
- 5.5 Relative Valuations
- 5.6 Cash Flow-Based Valuation

7.0 Corporate Transactions

7.1 Funding at International Capital Markets

- Eurobonds; floating rate, notes, medium term notes, deep discount bonds, zero coupons, convertible bonds, equity warrants, mechanisms of issuing
- Role of rating agencies, impact of ratings on liquidity and price

7.2 Private Equity Transactions

- Private Equity terms and definitions

- Participants in Private Equity
- Buyout Types

7.3 Quoted Equity Transactions

- Public issues and private placement markets for debt and equity
- Institutions, Individuals and Intermediaries involve in Public Offerings
- Documentation for Equity Issues:
 - The Prospectus, Long-Form and Accountants' Reports
 - Financial Information in the Prospectus
 - Due Diligence
 - Underwriting and Subscription Agreements
 - Competent Person's Report
- Initial Public Offerings (IPOs)
- IPO Alternatives
- Sponsors and Other Advisers
- Pricing and Marketing the Issue
- Raising Additional/Secondary Offerings
- Calculating the Theoretical Ex-Rights Price

7.4 Mergers and Acquisitions (M&A)

- Definition of Mergers and Acquisitions and Terminology
- Mergers and Acquisitions Documentation
- Pros and Cons of Mergers and Acquisitions
- Synergies and Value
- Divestiture and Demerger
 - Motivation
 - Trade Sale or Spin-off
- Financing Acquisitions

7.5 Shorter term funding -alternatives to traditional bank lines e.g. through commercial paper issues

7.0 Corporate Treasury Management

7.1 Currency management, i.e., transaction, translation and economic risk and means of hedging

7.2 Interest Risk Exposure and Ways of Managing

- FRAs,
- forward exchange contracts,
- swaps,
- financial futures,
- Netting

7.3 Risks to parties involved in breaking hedging contracts – protection through documentation

ASSESSMENT

THE QUESTION PAPER

Time allowed: three hours

Examination format: The paper is in two sections

Section A contains three 30-mark questions from which candidates should answer two (2)

Section B contains three 20-mark questions from which candidates should answer two (2)

Calculators: Nonprogrammable calculators that are silent in operation may be used in the examination, but candidates are encouraged to show workings

RECOMMENDED READING

Richard Pike & Bill Neale (2018). Corporate Finance and Investment: Decisions and Strategies, (10th Edition)

LEVEL 4: OPTION 5

I CORPORATE GOVERNANCE

Definitions, evolution, scope and relevance

The King's Report 1 & 2 of South Africa, The Sarbanes Oxley Act 2002 of the United States

Objectives of Corporate Governance

- Enhancement of Economic Growth in Ghana
- Promotion of Good Corporate Culture
- Promoting and Maintaining Public Trust and Confidence in Banks
- Prevention of Systemic Failures

Global Examples of Corporate Governance Failures

Enron, Parmalat, Baring Bank, WorldCom, Merrill Lynch, Meridian BIAO, Ecobank etc

Effects of Corporate Failures

- Capital Markets Destabilizations
- Capital Formation and Economic Growth
- Governmental Bailouts and Tax Implications

Models of Corporate Governance

- Shareholder Model: Value Maximization, Tempered by Legal and Social Constraints
- Stakeholder Model; SEC, Registrar of Companies, GSE
- Triple Bottom Line; Economic, Social, Environmental Concerns

Board Constitution -Profile of Directors/Minimum Qualifications

- CEO Appointments and Executive Remuneration
- Duality of Authority – CEO/Board Chairman

The Regulatory Framework -Guidance on Best Practices -Securities and Exchange Commission; Ghana Stock Exchange Listing Regulations; Bank of Ghana Guideline, Basel Recommendations, Experiences in other countries – The UK, Australia, USA, South Africa, Nigeria.

The role of Management/Board Sub-Committees in Sensing Distress Signals Board/Management Responsibility for Bank Performance Measurement
Key risk Indicators and Connotations

Risk Reporting and Capital Management

Prescriptions on Capital Adequacy Ratios and Risk Appetite

Financial Reporting and Disclosures – Mandatory and Voluntary: IFRS

Regulation and Bank Distress – the Role of Corporate Governance

INTEGRATING AUDIT AND ASSURANCE FUNCTIONS INTO THE GOVERNANCE FRAMEWORK

The Role of Corporate Governance and the Compliance Function

- Global Best Practice

The process Element of Delivering Products and Services

- Governance Perspectives

Significance of the Audit Function

- Roles of Internal and External Auditors
- Qualified Financials
- Adequacy of Disclosure, Mandatory/Voluntary

Audit and EWRM Inter-Relationships

Risk-Based Approach to Auditing

Governance Structures

- Reporting Relationships-Management/Board Responsibilities

Board Audit Committee as a Complement to the Governance Process

ETHICAL PERSPECTIVES OF CORPORATE GOVERNANCE

Definition, Objectives of the Code of Ethics in Banking

Concept of Fiduciary Responsibility to Owners and Larger Society

- Board Role in Ethical Leadership
- Lead in Ethical Standards, Awareness/Enforcement of Ethical Code

Personal and Business Conduct, Manifesting in:

- Honesty and Integrity
- Loyalty/Confidentiality
- Fit and Proper person/Professional Competence/Due Diligence and Behaviour
- Accountability/Prudence/Independence/Transparency/Conflicts of Interest
- Ownership/Management Principles -Fiduciary Relationships
- Corruption/Acceptable Gifts Policy
- Use of Corporate Name and Letterhead
- Insider Trading
- Application of Nepotism
- Irresponsible use of Position and Influence
- Inappropriate use of Corporate Resources
- Influence Peddling
- Coercion
- Partiality in the Performance of Duties

THE COMPLIANCE FUNCTION

Compliance Risk – Definition, Objectives

- Identification of Applicable Laws, Regulations, Contracts, Strategies and Policies
- Assessment of the State of Compliance
- Assessment of the Risks and Potential Costs of Non-Compliance or Achieve Compliance and hence Prioritize, Fund and
- Remediation and Exceptions Management

The Place of Compliance in the Governance Architecture

- The Position of the Chief Compliance Officer

Different Models of Reporting – Size and Organisational Complexity Dependencies

Fulfilling Internal Requirements

- Treasure Mandates, Dealer Limits, Counterparty Limits, Dealing and Reporting Framework
- Credit Mandates, Target Market Criteria (TMC) IFC Exclusion Lists, Sectoral Limits, Concentration Limits, Portfolio Quality Categorisation, etc
- Branch Operational Guidelines, Tellers/Vaults Limits and Procedures

Global Money Laundering and Terrorist Financing Initiatives

- Definitions, Forms of Money Laundering and Terrorist Financing
- Why Combat Money Laundering and Terrorist Financing?
- Global and Local Responses to Threats of ML and TF
- Effects of Non-Compliance to Global Efforts Targeting ML and TF
- Implementation of Ghana's Act 749, 762 and L.I. 1987
- Customer due diligence
- Know your Customer Requirements
- Dealing with Politically Exposed Persons (PEPs)
- Concept and Objectives of Risk Based Approach to AML/CFT
- Suspicious Transactions
- The Role of the FATF in AML/CFT
- Sanctions for Non-Compliance

Finance Guidelines

- Capital Adequacy Requirement – Economic vrs Regulatory, Loan/Deposit Ratios, BSD Returns, Accuracy, Completeness, and Timeliness of Data Transmitted
- Human Resource Functions including Recruitment, Monitoring, Appraisals, Disciplinary Procedures and Whistle Blowing Mechanism
- BCM Implementation and Monitoring and Review

Integrating Compliance into External Stakeholder

Primarily to Protect the Bank's License

- Meeting Banking Supervision Department's Requirements
- Financial Intelligence Centre Requirements

Multi Stakeholder Engagements – The Regulatory Universe

- Labour Regulations – (Occupational Health and Safety Dynamics)
- Recruitment, Training, Incentives Distribution, Discipline Communication, Succession Planning

- Occupational Health and Safety Requirements – Adherence to HR Guidelines to Forestall Wrong Dismissals, Staff Agitation/Strikes
- Adherence to the Environmental and Social Responsibility Requirements
- Fire Service/ Building Regulations – Public Liability Issues
- Keeping a Register of Regulators
- Custodian of a Policies Library
- Data Protection Legislation

Compliance to Company Code 1963 (Act 179) as Amended 2016

Requirements – Meetings, Quorum, Regularity, Reporting

Functions/Role of Company Secretary

- Conduct of Statutory Meetings, Including AGM where necessary
- Compilation, Safeguarding the Integrity of and Submission of Statutory Returns

It is expected that students will avail themselves of the myriad of books on Corporate Governance best practices and debacles

REFERENCES

1. The G20/OECD Principles of Corporate Governance
2. BCBS on Corporate Governance
3. Corporate Governance -Principles, Policies and Practices, Robert Ian Tricker, Oxford University Press
4. Corporate Governance, Principles and Recommendations. ASX Corporate Governance Council, 2014
5. Owusu-Achampong,F. (2017) Risk Management in Banking
6. Anti-Money Laundering Act 2008 (Act 749), The Anti-Terrorism Act, 2008 (Act 762)
7. The Anti-Money Laundering Regulations, 2011 (L.I. 1987)
8. FATF Guidelines, UNSC Lists
9. The UK Corporate Governance Code

Option5: RISK MANAGEMENT Paper 2

INTRODUCTION TO THE CONCEPT OF RISK MANAGEMENT IN BANKING

- Understanding the concept of risk in banks
- Fundamentals of Risk Management
- Definition, Scope and Benefits of Awareness
- Threats to Bank's Survival/Stability
- High Profile Cases Reinforcing Need to Manage Operational Risk
- Lessons from the American Financial Crisis of 2009 -the Operational Risk Dimensions
- Risk and the Compliance Framework
- Key Risk Indicators
- Risk Tolerance/Threshold
- Risk Culture
- Factors underlying the Emphasis on Operational Risk
- Managing the People Risk – Recruitment, Selection, References, Training and Development, Performance Management, Incentive Distribution and Disciplinary Actions, Succession Planning

RISK ANALYSIS, RISK MANAGEMENT PRINCIPLES AND PRACTICES

SUB-SETS OF BANK RISK MANAGEMENT (INTRODUCTORY)|

- Credit
- Liquidity
- Market
- Operational Risk
- Legal Risk
- Reputational
- Strategic Risk
- Regulatory Risk

OPERATIONAL RISK CATEGORISATION

- Operational Risk Events
- Operational Risk Effects
- The Three Dimensions of Operational Risk
- Requirements for Effective Risk Mitigation
- Incidence Management
- Qualitative Assessment and Quantitative Analysis
- Operational Risk Events – (Basel 11 Categorisation for Capital Adequacy Computation)

DESIGN AND DEVELOPMENT OF POLICIES -SETTING THE RISK APPETITE

- The Risk and Compliance Framework
- The Risk and Control Self-Assessment (RCSA)
- Risk Treatment Methods
 - Avoidance
 - Modification
 - Transfer
 - Retention
 - Exploitation

- Risk Evaluation
- Specific Key risk Indicators
- The Bank's Risk Appetite - the Considerations

THE PEOPLE ELEMENT OF OPERATIONAL RISK -HR MANAGEMENT STRATEGIES

Risk Associated with Recruitment, Training, Discipline, Occupational Health and Safety

ENTERPRISE -WIDE RISK MANAGEMENT FRAMEWORK

- Enterprise-Wide Risk Management
- The Growing Importance of EWRM
- Segments of the EWRM Framework
- The Scope and Depth of EWRM
- The Genesis of the COSO Framework
- Critical Success Factors for EWRM Implementation
- Benefits of EWRM Adoption
- Components of EWRM
- Creating the Architecture for the EWRM Framework; Roles and Responsibilities

RISKS IN TREASURY MANAGEMENT

- Evolution of the Treasury Function
- The Modern Treasury Department in Perspective
- Typical Treasury Structure, Product and Process Flow
- Typical Treasury Products
- Hedging Instruments
- Key Risk and Control Issues in Treasury
- Strategic Treasury Policy Prescriptions
- Standard Operating Procedures in Treasury Management

- Common Risk in the Treasury Environment
- Controlling Risk in the Treasury Environment
- Key Risk Indicators in the Treasury Space

INTRODUCTION TO ASSETS AND LIABILITY MANAGEMENT

- Objectives of ALM in the Bank
- Functions/Responsibilities of ALCO
- Common Strategies for Meeting ALM Objectives
- Typical ALM Risks
- Managing Interest Rate Risk
- Managing Liquidity Through a Contingency Plan
- Practical Liquidity Crisis Management
- Regulatory Interventions during a Liquidity Crisis
- The place of Securitization in Liquidity Management

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

- Definition and Scope of E & S Risk Management
- The IFC's Sustainability Framework
- Reasons for the Adoption of Environmental and Social Risk Management Practices
- Emerging Risk Issues in Credit Delivery
- Barriers to Adoption of Sustainable Environmental and Social Risk Management Practices
- Drivers/Benefits of Environmental and Social Risk Management Adoption
- The Equator Principles
- Environmental and Social Risk Management at the Credit Evaluation Stage
- The EQUATOR PRINCIPLES ASSOCIATION -Governance and Management
- The International Finance Corporation's Exclusion List

CREDIT RISK MANAGEMENT

- Setting the Bank Credit Risk Agenda
- Cascading the Policy Framework
- Establishing Sound Credit Management Processes – the Credit Cycle
- Commitment Tenors
- Multiple Repayments Sources
- Financial Intelligence Centre Act (FICA) Compliance
- Client Prospecting/Credit Origination (PESTEL Considerations)
- Integrating the “PESTEL” Factors into Credit Management

- Credit Evaluation or Appraisal
- Qualification of Credit Risk
- Excess Management
- Managing Problem Credits
- Collection and Debt Recovery
- Valuing Security Held for Accounts in Lock-Up

BANK FRAUD MANAGEMENT

- Factors Resulting in Fraudulent Behaviour
- Fraud Dimensions
- Causal Factors, Prevention and Control of Fraud
- Factors Shaping the Nature of Contemporary Fraud
- The Impact of Fraud on Financial Institutions
- Combating Information Technology Risk/Fraud
- Whistle Blowing Mechanisms and Incentives
- Specific Risks Embedded in International Trade Financing

ELECTRONIC BANKING FRAUD

- Definition and Components of Electronic Banking
- The Growth of Electronic- Banking and Related Risks
- Advantages of E-Banking
- Managing E-Banking Challenges and Vulnerabilities
- Common Manifestations of E-Banking Fraud
- Other Generic E-Banking Fraud
- Combating Information Technology (E-Banking) Fraud

BASEL CONVENTIONS -APPROACHES TO RISK MANAGEMENT AND CONTROL

- What is the Basel Committee on Banking Supervision?
- Why BASEL I became outdated
- BASEL II Structure
- Assumptions Underlying BASEL II
- The Place of Operational Risk in BASEL II
- Challenges and Principles for Managing Operational Risk
- Menu of Approaches in Applying BASEL II Framework on Capital Calculation
- BASEL III and Implementation Challenges

APPROACHES TO OPERATIONAL RISK MEASUREMENT AND CONTROL

- Basic Indicator Approach
- The Standard Approach
- The Advanced Measurement Approach

STRATEGIC RISK – THE EXTERNAL ENVIRONMENT FACTORS

The PESTEL Factors and Risk Implications for Strategic Formulation, Implementation and Monitoring

BUSINESS CONTINUITY MANAGEMENT

- The Concept and Importance as a Risk Management Tool
- Benefits, Process, Role Definitions
- Benefits of BCM in Contemporary Banking
- Types of Disruptive Incidents that may confront an Organisation
- Corporate Governance and Policy Dimensions of BCM Framework

RISK IN BRANCH BANKING OPERATIONS

- The Branch's Risk Exposures
- Factors Shaping the Nature of Branch Risks
- KYC and AML
- Cash Management
- Technology Issues in Branch
- Outsourcing/Uncontrolled Access to Critical Assets
- Common Branch Fraud
- Early warning Signs of Branch Distress
- The Manager's Focal Areas in the Branch Network
- Human Resources Management Functions in the Branch
- Dealing with Information Security within the Branch
- International Banking Roles in the Branch
- The Role of the Internal Auditor in the Branch Network

INFORMATION RISK MANAGEMENT

- What is Information Risk
- Objectives of Information Risk Management
- Sources of Information Risk

- Establishing a Security Policy
- Integrating Change Management into Information Security
- Technologies and Tools for Information Security
- Audit of Operational and Management Controls

RISKS IN INTERNATIONAL TRADE FINANCE

- Major Differences between Domestic and External Trade
- General Risks in International Trade
- Country Risk Analysis
- INCOTERMS – The Delineation of Costs and Risk
- Evaluating the Customer’s L/C Proposal -Risk Acceptance Criteria
 - Where the Bank is Financing the L/C Fully or Partially
 - Where the Customer is Financing Full Value of L/C
- Checklist for Vetting Documents Presented
- Dealing with Non-Conforming Documents
- Standby Letters of Credit, Bonds and Guarantees as Risk Mitigants
- Fraud Prevention in International Trade

REFERENCES

Kaufman G.G and Scott E.K, (2003) ISSN 1086-1653, The Independent Review

Mensah S. (2008), Securities Markets and Investments- A Ghanaian Printer 3rd ed.

India Institute of Banking & Finance (2010)-Risk Management

Kenneth and Laudon J. (2006) 10 ed. Chapter 8 – Managing Information Systems.

COSO, Enterprise Risk Management -Integrated Framework, p. 19

Basel Committee on Banking Supervision (2000) – Sound Practices for Managing

Liquidity in Banking

Integrated Framework, (2004), COSO of the Treadway Commission- Enterprise Risk

Management

Ghana’s Anti-Money Laundering Act.2008(Act 749) plus Regulations, 2011 (L.I. 1987)

Anti-Terrorism Act 2008 (Act 762)-Ghana.