



CHARTERED INSTITUTE OF BANKERS, GHANA

ASSOCIATESHIP EXAMINATION

LEVEL I

ELEMENTS OF BANKING

APRIL 2023

N.B.

1. Read carefully the instructions on the cover of the answer book.
2. **Answer Question One and Four other questions.**
3. All questions carry equal marks.
4. Time allowed: **THREE HOURS.**
5. Candidates must ensure that they answer questions in the appropriate answer book and **NOT on loose sheets** which are used only as supplementary sheets. Such answers will be cancelled.
6. **DO NOT WRITE YOUR NAME ON THE ANSWER BOOK.**
7. **DO NOT OPEN THIS QUESTION PAPER UNTIL INSTRUCTED TO DO SO.**

QUESTION 1

With reference to cheque operations, state and discuss any five risks faced by a paying bank.

(20 marks)

QUESTION 2

State and explain any four advantages with the use of guarantees as security.

(20 marks)

QUESTION 3

State and discuss any five salient differences between the Bank of Ghana and any other Universal bank.

(20 marks)

QUESTION 4

a. Write short notes on the following:

- i. Bill of lading **(8 marks)**
- ii. Road consignment note **(4 marks)**
- iii. Health certificate **(4 marks)**

b. Define bill of exchange. **(4 marks)**

(Total: 20 marks)

QUESTION 5

a. State any four duties a customer owes to its bankers. **(5 marks)**

b. Explain the following relationships that exist between a bank and its customers.

- i. Agent/Principal relationship
- ii. Bailee/Bailor relationship
- iii. Mortgagee/Mortgagor relationship **(15 marks)**

(Total: 20 marks)

QUESTION 6

- a. State any five differences between a cheque and a bill of exchange. **(10 marks)**
 - b. Define a cheque and state the difference between a cheque and a payment order. **(4 marks)**
 - c. State any three instances when a cheque is said to be payable to a bearer. **(6 marks)**
- (Total: 20 marks)**

QUESTION 7

State and discuss any four challenges or drawbacks banks face with electronic banking. **(20 marks)**

QUESTION 8

- a. State any five instances by which a customer mandate can be revoked. **(10 marks)**
 - b. With regard to account operations, what is set-off? **(4 marks)**
 - c. Mention any three instances where set-off is automatic. **(6 marks)**
- (Total: 20 marks)**