



**CHARTERED INSTITUTE OF BANKERS, GHANA**  
**ASSOCIATESHIP EXAMINATION**  
**LEVEL IV**  
**MICROFINANCE AND RURAL BANKING**  
**APRIL 2023**

**N.B:**

- 1. Read carefully the instructions on the cover of the answer book.**
- 2. Answer FIVE (5) questions in all with at least TWO questions from each section.**
- 3. Each question carries 20 marks.**
- 4. Where questions are subdivided, the marks for the subdivisions are shown in brackets.**
- 5. Time allowed: THREE HOURS.**
- 6. Candidates must ensure that they answer questions in the appropriate answer book and NOT on loose sheets which are supplementary sheets. Such answers will not be marked.**
- 7. DO NOT WRITE YOUR NAME ON THE ANSWER BOOK.**
- 8. DO NOT OPEN THIS QUESTION PAPER UNTIL YOU HAVE BEEN INSTRUCTED TO DO SO.**

## SECTION A

### RURAL BANKING

#### ANSWER AT LEAST TWO QUESTIONS FROM THIS SECTION

##### QUESTION ONE

List and explain five credit policy areas as contained in credit policy manuals of Rural and Community Banks and observed to reduce the incidence of non-performing loans.

[20 Marks]

##### QUESTION TWO

According to the World Food Summit held in 1996, food security is defined as when all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. As a manager of a Mampong RCB, outline how your bank can contribute to the food security in fulfillment of SDG Goal 2 that focuses on ending hunger, achieving food security and improving nutrition and as well as promoting sustainable agriculture in Ghana.

[20 Marks]

##### QUESTION THREE

a) Outline the importance of anti-money laundering and combating the financing of terrorism program in RCBs.

[10 Marks]

b) What does Customer Due Diligence (CDD) process entail in RCBs operations? [10 Marks]

[Total: 20 Marks]

##### QUESTION FOUR

Hitherto corporate governance was pivotal in the sustainability programming and satisfaction of the regulatory frameworks of rural and community banks. During the 2022 Bankers' Week celebration, it was concluded that the operationalization of Environmental, Social and Governance (ESG) principles into the operation of the RCBs has taken a more critical dimension. Critically examine the role of ESG's in the performance and sustainability of RCBs in Ghana. [20 Marks]

**SECTION B**  
**MICROFINANCE**

**ANSWER AT LEAST TWO QUESTIONS FROM THIS SECTION**

**QUESTION FIVE**

- a) List and explain five (5) basic principles of savings for Microfinance Institutions (MFIs).

**[20 Marks]**

**QUESTION SIX**

You have been appointed as a Managing Director of a microfinance company. Prior to your appointment, one of the Directors of the company intimated that they have been to several Corporate Governance training programs but complained that most of the time, the training is loaded with many people and the time allotted was inadequate, so he was not able to ask questions on the basic principles of Corporate Governance practices in Microfinance institutions.

- a) Explain the concept of corporate governance for Microfinance. **[6 Marks]**

- b) Discuss the importance of corporate governance to the survival of microfinance institutions. **[14 Marks]**

**[Total: 20 Marks]**

**QUESTION SEVEN**

The microfinance clientele base had changed over time from the poorest poor to financially excluded clientele. Discuss. **[20 Marks]**

**QUESTION EIGHT**

The SDG Goal 5 stipulates the achievement of gender equality and empowerment of all women and girls. In developing new products or the review of your existing products of your MFI, what

steps will you consider as appropriate in ensuring adequate provisions are made for women and girls in your product development process in your MFI? **[20 Marks]**