



CCP INTERMEDIATE LEVEL
PILOT PAPER
COLLECTIONS MANAGEMENT

December 2021.

Time Allowed: 3 hours.

Answer ALL questions. marks allocated to each question are shown at the end of the question. Show ALL your workings.

QUESTION ONE

- (a) Outline five features that an ideal collection system should display on the screen. (5 marks)
- (b) With reference to documentary credit, explain the following:
- (i) Back to back letter of credit (2 marks)
 - (ii) Red Clause Letter of Credit (2 marks)
 - (iii) Stand-by letter of credit. (2 marks)
- (c) (i) With reference to debt collection, explain the nature of persons classified as Vulnerable. (2 marks)
- (ii) Enumerate seven Vulnerable persons. (7 marks)

(Total: 20 marks)

QUESTION TWO

- (a) Describe three Non-Credit department personnel that may be used in collection activities. (6 marks)
- (b) Discuss four types of penalties for violating data protection requirement. (8 marks)
- (c) With reference to computer based customer searches:
- (i) Identify three advantages. (3 marks)
 - (ii) Explain Three limitations. (3 marks)

(Total: 20 marks)

QUESTION THREE

- (a) Outline five personal characteristics required by an effective collector. (5 marks)
- (b) Discuss five characteristics of effective collection communication. (10 marks)
- (c) Explain five methods used by debtors to conceal their assets and income. (5 marks)

(Total: 20 marks)

QUESTION FOUR

- (a) (i) Explain BATNA Method of negotiation (2 marks)
- (ii) Examine four traits of effective negotiators (8 marks)
- (b) Enumerate policies and procedures that should be included in collection manual. (10 marks)

(Total: 20 marks)

QUESTION FIVE

- (a) Summarise five types of information that a collection manager should check in the company's database about hired collection agencies. (5 marks)
- (b) Identify the type of contact information that a collector requires for contacting debtors. (5 marks)
- (c) Explain seven procedures used to track a customer orders to avoid commencing collection of receivable. (7 marks)
- (d) Outline three communication tactics used to grab debtor's Attention. (3 marks)

(Total: 20 marks)

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