## CCP INTERMEDIATE LEVEL

## COLLECTIONS MANAGEMENT

**WEDNESDAY: 4 December 2024. Morning Paper.**        **Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

### QUESTION ONE
(a)    Highlight **SIX** components of credit control.      (6 marks)

(b)    Enumerate **SIX** features of effective collection policies.      (6 marks)

(c)    Discuss **FOUR** challenges that a debt collector could encounter during skip tracing.      (8 marks)
     **(Total: 20 marks)**

### QUESTION TWO
(a)    State **FOUR** rights of consumers that debt collectors are required to familiarise themselves with.      (4 marks)

(b)    Explain **FOUR** ways in which retention of title clause could be used as a tool to minimise credit risk.    (8 marks)

(c)    Discuss **FOUR** measures taken to ensure that vulnerable customers are treated fairly.      (8 marks)
     **(Total: 20 marks)**

### QUESTION THREE
(a)    Outline **SIX** reports generated by automated debt collection systems.      (6 marks)

(b)    Debt collectors legitimately work to try to recoup funds legally owed to a lender. A company may use debt collectors when they have exhausted all other means of getting their money. But there are legal boundaries on how debt collectors can act.

     With reference to the above statement, explain **THREE** practices that a debt collector may not use in debt collection.      (6 marks)

(c)    Examine **FOUR** indicators that are used to evaluate debt collection agents' performance.      (8 marks)
     **(Total: 20 marks)**

### QUESTION FOUR
(a)    State **FOUR** approaches that a debt collections officer may adopt to balance between debt recovery and preserving customer relationship.      (4 marks)

(b)    Assess **FOUR** advantages of customer billing to businesses.      (8 marks)

(c)    Evaluate **FOUR** debt collection practices that should be avoided during recovery of unpaid invoice.    (8 marks)
     **(Total: 20 marks)**

### QUESTION FIVE
(a)    Identify **SIX** provisions of a collection order in a documentary letter of credit.      (6 marks)

(b)    Suggest **SIX** circumstances that may compel a debt collection agency to terminate an active collection of a debt.      (6 marks)

(c)    Discuss **FOUR** actions that an organisation should take to remain compliant with regulations in debt collection.      (8 marks)
     **(Total: 20 marks)**

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**CCP INTERMEDIATE LEVEL**

**COLLECTIONS MANAGEMENT**

**WEDNESDAY: 21 August 2024. Morning Paper.**                    **Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**
(a)     Explain the following types of credit:

      (i)      Commercial Credit.                                                                      (2 marks)

      (ii)     Documentary Credit.                                                                  (2 marks)

(b)     Enumerate **EIGHT** benefits of having in place a credit control department in an organisation.      (8 marks)

(c)     A credit and collections policy serves as part of the backbone of a firm's financial stability. Without it, the firm's ability to effectively manage accounts receivable and ensure timely payments is compromised. However, the absence of such a policy can lead to various problems and challenges.

      Analyse **FOUR** challenges that a firm may encounter for lack of a collections policy.      (8 marks)
      **(Total: 20 marks)**

**QUESTION TWO**
(a)     Outline **SIX** attributes of a debt collection mediator.                                          (6 marks)

(b)     Explain **THREE** types of payment options available in documentary credit.                    (6 marks)

(c)     Discuss **FOUR** steps a firm may apply to effectively manage payment deductions.              (8 marks)
      **(Total: 20 marks)**

**QUESTION THREE**
(a)     State **SIX** guidelines of E-mailing invoices for quicker payments.                            (6 marks)

(b)     Due to inadequacies in some firm's organisational structure and capacity, the credit team find the use of sales team as an aid in debt collection.

      Discuss **THREE** limitations of using salesmen to collect debts.                        (6 marks)

(c)     Due to technological advancement, it has become quite convenient to make and receive payments via online platforms.

      With reference to the above statement, evaluate **FOUR** benefits of secure online payment processing systems.
      (8 marks)
      **(Total: 20 marks)**

**QUESTION FOUR**
(a)     Outline **FOUR** actions debt collectors should take upon completion of a collection call.      (4 marks)

(b)     Identify **FOUR** principles of ethical debt collection.                                        (8 marks)

(c)     Assess **FOUR** measures a company may apply to prevent invoice fraud.                          (8 marks)
      **(Total: 20 marks)**

**QUESTION FIVE**

(a) Highlight **FOUR** strategies a credit manager could put in place to help solve accounts receivable payment allocation problems. (4 marks)

(b) Summarise **FOUR** steps that could aid in effective communication during debt collection. (8 marks)

(c) Analyse **FOUR** ethical concerns surrounding artificial intelligence (AI) in debt collection. (8 marks)

**(Total: 20 marks)**

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## CCP INTERMEDIATE LEVEL

## COLLECTIONS MANAGEMENT

**WEDNESDAY: 24 April 2024. Morning Paper.**                    **Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

### QUESTION ONE
(a)     Distinguish between "delinquency rate" and "roll rate".                    (4 marks)

(b)     Describe **FOUR** types of costs incurred by credit card merchant after a fraudulent transaction.     (8 marks)

(c)     Identify **FOUR** roles of accounts receivable in working capital management.     (8 marks)
                                                                           **(Total: 20 marks)**

### QUESTION TWO
(a)     Distinguish between the following:

        (i)     "Preventive credit control" and "Corrective credit control".     (2 marks)

        (ii)    "Proactive credit control" and "Reactive credit control".     (2 marks)

(b)     Explain **FOUR** advantages of an out-of-court work-out.     (8 marks)

(c)     Enumerate **EIGHT** best practices for an effective customer visit in collection of debts.     (8 marks)
                                                                           **(Total: 20 marks)**

### QUESTION THREE
(a)     Summarise **FOUR** features of effective chatbots in debt collection tools.     (4 marks)

(b)     Highlight **EIGHT** tactics of handling hostile customers in debt collection.     (8 marks)

(c)     Propose **FOUR** checks applied when conducting customer data security audit.     (8 marks)
                                                                           **(Total: 20 marks)**

### QUESTION FOUR
(a)     Explain **THREE** types of cheque frauds.     (6 marks)

(b)     Discuss **THREE** stages of processing a credit customer receipt.     (6 marks)

(c)     Describe **FOUR** benefits of documentary debt collection.     (8 marks)
                                                                           **(Total: 20 marks)**

### QUESTION FIVE
(a)     State **FOUR** types of information contained in a customers' complaint register.     (4 marks)

(b)     Identify **FOUR** elements of data protection impact assessment.     (8 marks)

(c)     Examine **FOUR** advantages of effective negotiation in debt collection.     (8 marks)
                                                                           **(Total: 20 marks)**

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**CCP INTERMEDIATE LEVEL**

**COLLECTIONS MANAGEMENT**

**WEDNESDAY: 6 December 2023. Morning Paper.**      **Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**
(a)    (i)    Explain the term "Debt counselling".      (2 marks)

       (ii)    Highlight **FOUR** signs that could point that a customer requires debt counselling.      (4 marks)

(b)    Outline **SIX** benefits of a centralised debt collection unit.      (6 marks)

(c)    Discuss **FOUR** causes of customers' vulnerability.      (8 marks)
         **(Total: 20 marks)**

**QUESTION TWO**
(a)    Distinguish between "debt objection" and "debt condition".      (4 marks)

(b)    Suggest **FOUR** steps that a credit controller should follow when implementing early payment discounts.      (8 marks)

(c)    Describe **FOUR** types of emails that could be sent to customers by credit controllers.      (8 marks)
         **(Total: 20 marks)**

**QUESTION THREE**
(a)    Describe **TWO** contents of a retention of title clause.      (4 marks)

(b)    Examine **FOUR** reasons of updating a debt collection policy.      (8 marks)

(c)    (i)    Explain the term "debt collection call centre".      (2 marks)

       (ii)    Summarise **SIX** roles of a debt collection call centre manager.      (6 marks)
         **(Total: 20 marks)**

**QUESTION FOUR**
(a)    Describe **THREE** activities involved in the settlement of a letter of credit.      (6 marks)

(b)    Highlight **SIX** practices prohibited by fair debt collection regulations.      (6 marks)

(c)    Discuss **FOUR** techniques that could be used by debt collectors to solve problems of debtors experiencing payment difficulties.      (8 marks)
         **(Total: 20 marks)**

**QUESTION FIVE**
(a)    Enumerate **SIX** types of clutter transactions in customers' accounts.      (6 marks)

(b)    State **SIX** features of effective collection letters.      (6 marks)

(c)    With reference to Data Protection Act, analyse **FOUR** principles of data protection.      (8 marks)
         **(Total: 20 marks)**

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**CCP INTERMEDIATE LEVEL**

**COLLECTIONS MANAGEMENT**

**WEDNESDAY: 23 August 2023. Morning Paper.** **Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**
(a) Explain the following types of collection metrics:

    (i) Accounts to creditor ratio (ACR). (2 marks)

    (ii) Net loss rate. (2 marks)

(b) Discuss **FOUR** types of loan workout arrangements. (8 marks)

(c) Examine **FOUR** guidelines for effective communication in debt collection. (8 marks)
**(Total: 20 marks)**

**QUESTION TWO**
(a) Outline **FOUR** benefits of "in-house" debt collection. (4 marks)

(b) Explain **FOUR** applications of artificial intelligence (AI) in debt collection. (8 marks)

(c) Describe **FOUR** functions of a debt collection department. (8 marks)
**(Total: 20 marks)**

**QUESTION THREE**
(a) Explain **THREE** reasons why a credit manager could consider writing off a loan. (6 marks)

(b) Describe **THREE** types of trade credit frauds. (6 marks)

(c) Discuss **FOUR** debtor late payments excuses. (8 marks)
**(Total: 20 marks)**

**QUESTION FOUR**
(a) Highlight **SIX** contents of a debt collection "work instruction". (6 marks)

(b) Examine **THREE** types of undertakings by an issuing bank in documentary credit. (6 marks)

(c) Discuss **FOUR** challenges faced by debt collection agents. (8 marks)
**(Total: 20 marks)**

**QUESTION FIVE**
(a) Outline **FOUR** objectives of the Data Protection Act. (4 marks)

(b) (i) Explain the term "Alternative Dispute Resolution" (ADR). (2 marks)

    (ii) Describe **THREE** types of Alternative Dispute Resolution (ADR). (6 marks)

(c) Assess **FOUR** shortcomings of traditional collection processes in consumer credit. (8 marks)
**(Total: 20 marks)**

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**CCP INTERMEDIATE LEVEL**

**COLLECTIONS MANAGEMENT**

**WEDNESDAY: 26 April 2023. Morning Paper.**                    **Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**
(a)     With reference to debt collection practices:

      (i)     Distinguish between "Debt rescheduling" and "Debt compromise".                    (4 marks)

      (ii)     List **FOUR** advantages of debt compromise to the debtor.                    (4 marks)

(b)     One of the key qualities of a debt collector is overcoming customer objections while maintaining good customer service skills.

      With reference to the above statement, describe **THREE** types of objections that a debt collector should overcome during debt collection.                    (6 marks)

(c)     Explain **THREE** types of risk exposure associated with the use of letters of credit.                    (6 marks)
                                                       **(Total: 20 marks)**

**QUESTION TWO**
(a)     Explain **THREE** essential elements of effective collection emails.                    (6 marks)

(b)     A debt collection manager needs a procedure for dealing with customers in a standardised manner to resolve payment issues.

      With reference to the above statement, describe **FIVE** steps that a collection manager could consider when drafting a debt collection procedure.                    (10 marks)

(c)     Outline **FOUR** sources of debtor skip tracing information.                    (4 marks)
                                                       **(Total: 20 marks)**

**QUESTION THREE**
(a)     With reference to data protection regulations, state **FIVE** rights of a data subject.                    (5 marks)

(b)     Argue **FIVE** cases for a credit management plan.                    (5 marks)

(c)     Examine **FIVE** factors that a credit manager should consider before taking action against a debtor in default.                    (10 marks)
                                                       **(Total: 20 marks)**

**QUESTION FOUR**
(a)     Describe **THREE** benefits of using automation in consumer collections.                    (6 marks)

(b)     Suggest **THREE** measures that lenders should take to avoid debt collection scams.                    (6 marks)

(c)     Identify **EIGHT** factors that could influence the choice of a debt collection departmental structure.                    (8 marks)
                                                       **(Total: 20 marks)**

**QUESTION FIVE**

(a)  Outline **SIX** actions that could be deemed invasive in debt collection.  (6 marks)

(b)  Evaluate **THREE** technologies that could aid in debt collection processes.  (6 marks)

(c)  Propose **FOUR** factors that a credit manager could consider in deciding whether to engage the services of a collection agency or a law firm in collecting overdue debt.  (8 marks)

**(Total: 20 marks)**

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**CCP INTERMEDIATE LEVEL**

**COLLECTIONS MANAGEMENT**

**WEDNESDAY: 7 December 2022. Morning Paper.**　　　　　　　　　　　**Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

**QUESTION ONE**
(a)　Explain the following terms:

　　(i)　　Documents against payment (D/P).　　　　　　　　　　　　　　　　(2 marks)

　　(ii)　　Documents against Acceptance (D/A).　　　　　　　　　　　　　　(2 marks)

(b)　Describe **FOUR** factors that should be considered before handing over an account to a debt collection agency.
　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　(8 marks)

(c)　Summarise **FOUR** stages of the debt collection cycle.　　　　　　　　　(8 marks)
　　　　　　　　　　　　　　　　　　　　　　　　　　　　**(Total: 20 marks)**

**QUESTION TWO**
(a)　Outline **FOUR** benefits of accurate billing.　　　　　　　　　　　　　(4 marks)

(b)　Explain **FOUR** types of collection letters.　　　　　　　　　　　　　(8 marks)

(c)　Analyse **FOUR** types of financial statement frauds that could affect debt collection.　　(8 marks)
　　　　　　　　　　　　　　　　　　　　　　　　　　　　**(Total: 20 marks)**

**QUESTION THREE**
(a)　Enumerate **SIX** steps in debt collection negotiations.　　　　　　　　　(6 marks)

(b)　Describe **THREE** factors that could be considered when evaluating a call centre service provider.　　(6 marks)

(c)　Assess **FOUR** actions by the debt collector that could amount to a misrepresentation of the legal debt collection process.　　　　　　　　　　　　　　　　　　　　　　　　　　　　　(8 marks)
　　　　　　　　　　　　　　　　　　　　　　　　　　　　**(Total: 20 marks)**

**QUESTION FOUR**
(a)　Highlight **SIX** forms of loan modification agreements.　　　　　　　　　(6 marks)

(b)　Examine **THREE** types of day sales outstanding (DSO).　　　　　　　　(6 marks)

(c)　Describe **FOUR** factors a credit manager should consider when determining collection procedures.　　(4 marks)

(d)　Propose **FOUR** aspects that should be included in an organisation's data policy for debtors.　　(4 marks)
　　　　　　　　　　　　　　　　　　　　　　　　　　　　**(Total: 20 marks)**

**QUESTION FIVE**
(a)　List **FOUR** types of customer personalities that a debt collector could encounter during debt collection.
　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　(4 marks)

(b)　Describe **TWO** benefits of alternative dispute resolution (ADR) to the following parties:

　　(i)　　Borrower.　　　　　　　　　　　　　　　　　　　　　　　　　(2 marks)

　　(ii)　　Lender.　　　　　　　　　　　　　　　　　　　　　　　　　　(2 marks)

(c)　Summarise **FOUR** borrower conditions that could necessitate a loan workout arrangement.　　(4 marks)

(d)　Evaluate **FOUR** factors to be considered when designing an improved collection process.　　(8 marks)
　　　　　　　　　　　　　　　　　　　　　　　　　　　　**(Total: 20 marks)**
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## CCP INTERMEDIATE LEVEL

## COLLECTIONS MANAGEMENT

**WEDNESDAY: 3 August 2022. Morning paper.**          **Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

### QUESTION ONE
(a) Explain the following terms as used in credit management:
    (i)      Overtrading.          (2 marks)

    (ii)      Arrears.          (2 marks)

(b) Enumerate six benefits that accrue to an individual or organisation as a result of measuring the performance of its debt collection unit.          (6 marks)

(c) Describe five benefits of visiting customers at their place of business during debt collection.          (10 marks)
         **(Total: 20 marks)**

### QUESTION TWO
(a) Outline four importance of a debt verification letter to a borrower.          (4 marks)

(b) Discuss four types of delay tactics used by debtors.          (8 marks)

(c) Discuss four factors to consider when communicating to customers about payment plans.          (8 marks)
         **(Total: 20 marks)**

### QUESTION THREE
(a) Explain three types of bad debt reserve policies.          (6 marks)

(b) Summarise six contents of a 'collection instruction' as used in documentary collection.          (6 marks)

(c) State four features of a final warning collection letter.          (4 marks)

(d) Highlight four strategies that could improve first expression experience with debtors.          (4 marks)
         **(Total: 20 marks)**

### QUESTION FOUR
(a) Enumerate six ways through which computer systems could improve debt collection in a firm.          (6 marks)

(b) With reference to risks associated with debt collection, explain the following terms:
    (i)      Asset concealment.          (2 marks)

    (ii)      Identity theft.          (2 marks)

(c) Business credit professionals should pledge themselves to the highest professional standards and principles in guarding and securing in confidence, information obtained for the sole purpose of analysing and extending commercial credit.

With reference to the above statement, explain five ethical principles that every credit professional should pledge to uphold.          (5 marks)

(d) Highlight five prohibited debt collection practices under Deposit Taking Sacco's Regulations.          (5 marks)
         **(Total: 20 marks)**

**QUESTION FIVE**

(a)     Discuss four principles of debt collection.                                                                (8 marks)

(b)     Identify four situations that could prompt a debt collector to call small balance debtors.      (4 marks)

(c)     Explain four advantages of using telephone as a collection tool.                                       (4 marks)

(d)     Summarise four requirements to be fulfilled in writing between the debtor and creditor before a loan
        re-scheduling is accepted.                                                                              (4 marks)
                                                                                                **(Total: 20 marks)**

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## CCP INTERMEDIATE LEVEL

## COLLECTIONS MANAGEMENT

**TUESDAY: 5 April 2022. Morning paper.**                    **Time Allowed: 3 hours.**

**Answer ALL questions. Marks allocated to each question are shown at the end of the question. Do NOT write anything on this paper.**

### QUESTION ONE
(a)     Outline five advantages of establishing an Internal Debt Collection Unit.                  (5 marks)

(b)     Analyse four methods of improving debt collection negotiations.                  (8 marks)

(c)     List three goals of a debt collection department.                  (3 marks)

(d)     Summarise four online debt collection techniques.                  (4 marks)
                                                                        **(Total: 20 marks)**

### QUESTION TWO
(a)     With reference to debt buying companies:

    (i)     Explain a debt validation notice.                  (2 marks)

    (ii)     Summarise four contents of a debt validation notice.                  (4 marks)

(b)     Discuss four shortcomings of arbitration as an Alternative Dispute Resolutions (ADR) in debt collection.   (8 marks)

(c)     Describe three factors influencing the choice of a debt collection method.                  (6 marks)
                                                                        **(Total: 20 marks)**

### QUESTION THREE
(a)     Outline five characteristics of accounts that should be handed over to a debt collection agency.   (5 marks)

(b)     The corona virus crisis has seen many credit collections teams dealing with escalating cases of Non Performing Assets (NPA), changing regulatory guidelines, high customer expectations and overstretched resources.

    With reference to the above statement, suggest four ways by which a credit manager could develop a proactive collection response plan to mitigate the effects of COVID-19 on accounts receivable.   (8 marks)

(c)     Identify four types of credit reports used to improve the process of debt collection.                  (4 marks)

(d)     Assess three benefits of loan restructuring.                  (3 marks)
                                                                        **(Total: 20 marks)**

### QUESTION FOUR
(a)     With reference to skiptracing, explain the following terms:

    (i)     Unintentional skip.                  (2 marks)

    (ii)     Novice deadbeats.                  (2 marks)

    (iii)     Hard-core skips.                  (2 marks)

(b)     Discuss five aspects of the code of conduct that a credit manager is expected to include in a debt collection manual.
(10 marks)

(c)     Summarise four duties of remitting banks.
(4 marks)
**(Total: 20 marks)**

**QUESTION FIVE**
(a)     Analyse the four successive steps in an exchange of documents in a documentary credit procedure.     (8 marks)

(b)     Examine three elements of a negotiations checklist.     (6 marks)

(c)     Describe six features of a customer contact center software.     (6 marks)
**(Total: 20 marks)**

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**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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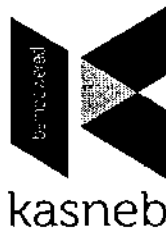
## CCP INTERMEDIATE LEVEL

## COLLECTIONS MANAGEMENT

**THURSDAY: 16 December 2021.**                                    **Time Allowed: 3 hours.**

Answer ALL questions. Marks allocated to each question are shown at the end of the question.

## QUESTION ONE
(a)　(i)　Describe four parties to documentary collection.　(4 marks)

　　(ii)　Enumerate six advantages of documentary collection.　(6 marks)

(b)　Explain the following terms as used in Alternative Dispute Resolution (ADR):

　　(i)　Arbitration.　(2 marks)

　　(ii)　Mediation.　(2 marks)

　　(iii)　Adjudication.　(2 marks)

(c)　Outline four benefits of outsourcing collection services.　(4 marks)
**(Total: 20 marks)**

## QUESTION TWO
(a)　Discuss five areas covered by the Consumer Credit Act.　(10 marks)

(b)　Explain three personal skills that are essential for successful debt collection.　(6 marks)

(c)　List four advantages of emails in communicating to debtors.　(4 marks)
**(Total: 20 marks)**

## QUESTION THREE
(a)　Debt collection can be quite frustrating and boring if too many customers fail to make payments on time.

　　With reference to the above statement, explain four challenges faced during debt collection.　(8 marks)

(b)　Describe three benefits of automated invoicing software.　(6 marks)

(c)　An effective credit function is vital to sustaining the growth and survival of a business.

　　With reference to the above statement, analyse three actionable steps that a credit controller can take to implement a more effective credit function.　(6 marks)
**(Total: 20 marks)**

## QUESTION FOUR
(a)　A collection call is an active negotiation that requires full attention in order to do the best job for both your company and the customer.

　　With reference to the above statement, enumerate four negotiation techniques that could help a collections officer gather the information needed to move towards a commitment to pay.　(8 marks)

(b)　Explain three contents of an ideal collection policy.　(6 marks)

(c)　List three advantages and three disadvantages of bank reconciliation to a credit analyst.　(6 marks)
**(Total: 20 marks)**

**QUESTION FIVE**

(a) Outline four disadvantages of using standardised reminder letters in debt collection. (4 marks)

(b) The collection manager needs a procedure for dealing with customers in a standardised manner to resolve payment issues.

With reference to the above statement, explain five steps in the collections procedure. (10 marks)

(c) A skilled collections officer should be able to reduce company losses by encouraging customers to pay their overdue bills.

With reference to the above statement, list six responsibilities of a collections officer. (6 marks)

**(Total: 20 marks)**

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