



CCP INTERMEDIATE LEVEL

CREDIT GOVERNANCE AND COMPLIANCE

WEDNESDAY: 4 December 2024. Afternoon Paper.

Time Allowed: 3 hours.

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

QUESTION ONE

- (a) Highlight **FOUR** prudential guidelines on treatment of collateral. (4 marks)
 - (b) Summarise **FOUR** indicators of reckless lending in a financial institution. (8 marks)
 - (c) Examine **FOUR** factors affecting the credit loss ratio in lending institutions. (8 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) State **FOUR** features of Islamic finance. (4 marks)
- (b) Describe **FOUR** principles of Basel III accord. (8 marks)
- (c) Bangkok Ltd. is facing cash flow challenges. Most of their customers have delayed payments, leading to the company's inability to meet their financial obligations as they fall due. The credit controller of Bangkok Ltd. has been advised to develop a credit policy that will assist him to minimise their financial distress.

Discuss **FOUR** areas that the credit policy should cover. (8 marks)

(Total: 20 marks)

QUESTION THREE

- (a) Describe **THREE** provisions governing loan write-off in a cooperative society. (6 marks)
 - (b) Summarise **THREE** theories of financial regulation. (6 marks)
 - (c) Describe **FOUR** categories of services offered by Microfinance institutions (MFIs) to their clients. (8 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) State **FOUR** factors that have led to banking sector regulatory reforms. (4 marks)
 - (b) Examine **FOUR** challenges facing corporate governance in the public sector. (8 marks)
 - (c) With reference to standards of professional conduct, discuss **FOUR** duties of credit professionals to their clients. (8 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Highlight **SIX** benefits of financial consumer protection frameworks. (6 marks)
 - (b) Summarise **SIX** ways in which boards of directors of financial institutions could strengthen governance in their boards. (6 marks)
 - (c) Discuss **FOUR** types of information on non-performing loans disclosed by banks to central bank. (8 marks)
- (Total: 20 marks)**
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CCP INTERMEDIATE LEVEL

CREDIT GOVERNANCE AND COMPLIANCE

WEDNESDAY: 21 August 2024. Afternoon Paper.

Time Allowed: 3 hours.

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

QUESTION ONE

- (a) Explain the meaning of the following terms as used in consumer protection:
- (i) Consumer. (2 marks)
 - (ii) Conflict of interest. (2 marks)
- (b) Enumerate **EIGHT** duties of a cooperative society member during an Annual General Meeting. (8 marks)
- (c) Discuss **FOUR** challenges of implementing financial regulations. (8 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Summarise the **THREE** pillars of Basel II. (6 marks)
- (b) Explain the roles of the following stakeholders in corporate governance:
- (i) Shareholders. (2 marks)
 - (ii) Lenders. (2 marks)
 - (iii) Government. (2 marks)
- (c) Evaluate **FOUR** effects of non-performing assets (NPAs) on a bank profitability. (8 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Outline **SIX** factors that a credit analyst should consider when evaluating the quality of credit assets. (6 marks)
- (b) Explain **SIX** principles of financial transactions under Islamic finance. (6 marks)
- (c) Summarise **FOUR** prohibitions of financial institutions under the principle of fairness. (8 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) Ukwetu Microfinance bank posted the following information in their audited financial statements for the year ended 31 December 2023:

Item	Amounts in Sh.“000”
Gross non-performing loans and advances	62,803,777
Loan loss provisions	31,559,060
Discounted value of securities	30,032,617
Interest in suspense	4,561,732

Required:

Compute the following:

- (i) Total non-performing loans and advances. (2 marks)
 - (ii) Net non-performing loans. (2 marks)
 - (iii) Net non-performing loans exposure. (2 marks)
- (b) Describe **THREE** challenges of capital adequacy requirement by Sacco Societies Regulation Authority (SASRA). (6 marks)
- (c) Explain **FOUR** contents of a corporate governance report. (8 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Explain **TWO** elements of professionalism as a standard of professional conduct. (4 marks)
 - (b) Summarise **EIGHT** steps of developing an effective credit policy. (8 marks)
 - (c) Discuss **FOUR** methods of managing delinquency in a microfinance institution. (8 marks)
- (Total: 20 marks)**
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CCP INTERMEDIATE LEVEL

CREDIT GOVERNANCE AND COMPLIANCE

WEDNESDAY: 24 April 2024. Afternoon Paper.

Time Allowed: 3 hours.

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

QUESTION ONE

- (a) Explain the following Islamic financial instruments:
- (i) Ijara. (2 marks)
 - (ii) Murabaha. (2 marks)
- (b) Discuss **FOUR** advantages of maintaining the Central Bank as a single banking regulator. (8 marks)
- (c) Analyse **FOUR** contents of core capital (Tier I-capital), with reference to capital adequacy for lending institutions. (8 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Explain the following terms as used in measuring the performance of credit assets:
- (i) Portfolio at Risk (PAR). (2 marks)
 - (ii) Credit Loss Ratio (CLR). (2 marks)
 - (iii) Collection Efficiency Ratio (CER). (2 marks)
- (b) Examine **THREE** external risks faced by microfinance institutions. (6 marks)
- (c) Identify **FOUR** responsibilities of an organisation's board in credit risk management. (8 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Summarise **THREE** sanctions for unfair practices under the consumer protection laws. (6 marks)
- (b) Enumerate **SIX** rights of a member of a cooperative society. (6 marks)
- (c) Describe **FOUR** benefits of business ethics. (8 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) State **FOUR** elements of a credit policy. (4 marks)
- (b) Assess **FOUR** objectives of the Basel proposals in relation to banks' supervision. (8 marks)
- (c) Highlight **EIGHT** roles of the Assets and Liabilities Management Committee (ALCO), in a lending institution. (8 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Explain the meaning of the following theories of banking regulation:
 - (i) Micro-prudential regulation. (2 marks)
 - (ii) Macro-prudential regulation. (2 marks)
- (b) Discuss **FOUR** ethical values that underpin good corporate governance. (8 marks)
- (c) Analyse **FOUR** conditions governing inter-sacco borrowings. (8 marks)

(Total: 20 marks)

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CREDIT GOVERNANCE AND COMPLIANCE

WEDNESDAY: 6 December 2023. Afternoon 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 prudential guidelines for lending institutions.
- (i) Authorisation. (2 marks)
 - (ii) Compliance function. (2 marks)
- (b) Examine **FOUR** guidelines for constituting boards of financial institutions. (8 marks)
- (c) Discuss **FOUR** factors that could influence the formulation of a credit policy of a firm. (8 marks)

(Total: 20 marks)

QUESTION TWO

- (a) Identify **FOUR** lending disclosure requirements for compliance by cooperative societies. (4 marks)
- (b) Explain **FOUR** types of financial institutions' regulations. (8 marks)
- (c) Discuss **FOUR** criticisms of Basel III accord. (8 marks)

Total: 20 marks

QUESTION THREE

- (a) Differentiate between "agency theory" and "stakeholder theory". (6 marks)
- (b) Describe **THREE** features of unregulated lending institutions. (6 marks)
- (c) Summarise **FOUR** principles of economically based 'Sharia' Law. (8 marks)

(Total: 20 marks)

QUESTION FOUR

- (a) Differentiate between "collection effective index" (CEI) and "days sales outstanding" (DSO) as measures of collections performance. (4 marks)
- (b) Examine **FOUR** areas covered by prudential guidelines of collections performance requirement for microfinance institutions. (8 marks)
- (c) Discuss **FOUR** broad categories of ethical theory. (8 marks)

(Total: 20 marks)

QUESTION FIVE

- (a) State **SIX** functions of consumer protection agencies. (6 marks)
- (b) Suggest **SIX** reasons why the central bank may require higher minimum capital ratios to be maintained by a lending institution. (6 marks)
- (c) Evaluate **FOUR** activities of directors that may conflict with organisation's business interests. (8 marks)

(Total: 20 marks)

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CCP INTERMEDIATE LEVEL

CREDIT GOVERNANCE AND COMPLIANCE

WEDNESDAY: 23 August 2023. Afternoon 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) Differentiate between “Implied credit policy” and “Stated credit policy”. (4 marks)
- (ii) Enumerate **FOUR** reasons why it is important for the credit manager to undertake periodic review of a credit policy. (4 marks)
- (b) Explain **THREE** effects of a consumer protection agreement in the financial sector. (6 marks)
- (c) Discuss **THREE** goals of financial regulations. (6 marks)

(Total: 20 marks)

QUESTION TWO

- (a) State **FOUR** reasons why “Riba” is prohibited in Islamic banking. (4 marks)
- (b) Examine **FOUR** elements of Basel IV proposals. (8 marks)
- (c) Describe **FOUR** signs of delinquency in a microfinance institution. (8 marks)

(Total: 20 marks)

QUESTION THREE

- (a) (i) Differentiate between “renegotiated substandard loans” and “renegotiated doubtful loans”. (4 marks)
- (ii) Summarise **FOUR** benefits of risk classification of credit assets. (4 marks)
- (b) Outline **SIX** principles of good governance in a Saving and Credit Cooperative Society (SACCO). (6 marks)
- (c) Assess **THREE** roles of a bank risk management committee. (6 marks)

(Total: 20 marks)

QUESTION FOUR

- (a) (i) Describe the term “Credit risk migration matrix”. (2 marks)
- (ii) Explain **THREE** reasons why a credit risk rating system is important. (6 marks)
- (b) Explain **THREE** ways in which agency relationship conflict could arise in an organisation. (6 marks)
- (c) Examine **THREE** principles of operational risk management. (6 marks)

(Total: 20 marks)

QUESTION FIVE

- (a) Outline **SIX** actions that could demonstrate that a credit officer operates within the dictates of professional ethical standards. (6 marks)
- (b) Analyse **THREE** elements of an ineffective loan management process. (6 marks)
- (c) Discuss **FOUR** responsibilities of a director of a financial institution. (8 marks)

(Total: 20 marks)

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CCP INTERMEDIATE LEVEL

CREDIT GOVERNANCE AND COMPLIANCE

WEDNESDAY: 26 April 2023. Afternoon 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 meaning of the following terms as used in central bank's prudential guidelines:
- (i) Subordinated debt. (2 marks)
 - (ii) Position held with trading intent. (2 marks)
- (b) Analyse **FOUR** forms of powers held by the regulators of financial institutions. (8 marks)
- (c) Discuss **FOUR** challenges inhibiting the growth of a strong credit culture among co-operative societies in your country. (8 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Outline **FOUR** business activities prohibited under Microfinance Act. (4 marks)
- (b) Assess **FOUR** achievements of Basel III Accord. (8 marks)
- (c) Describe **FOUR** board committees established by commercial banks. (8 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) (i) Explain the term "loan loss provision". (2 marks)
- (ii) Enumerate **FOUR** factors that affect the calculation of loan loss provision. (4 marks)
- (b) State **SIX** agendas for cooperative society's annual general meeting. (6 marks)
- (c) Describe **FOUR** ways a credit policy could be used as a tool of managing credit risk. (8 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) Analyse **THREE** rules guiding profit sharing in Musharakah financing model. (6 marks)
- (b) Outline **SIX** responsibilities of integrity assurance Officers in a bank. (6 marks)
- (c) Describe **FOUR** organisational policies that support responsible business conduct in credit providing institutions. (8 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Explain **THREE** disadvantages of using Value at risk (VAR) as a risk management tool. (6 marks)
- (b) Examine **THREE** components of the cooperative society's governance structure. (6 marks)
- (c) Summarise **FOUR** roles and responsibilities of the board audit committee. (8 marks)
- (Total: 20 marks)**

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CCP INTERMEDIATE LEVEL

CREDIT GOVERNANCE AND COMPLIANCE

WEDNESDAY: 7 December 2022. Afternoon 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 the banking regulatory process, explain the role of the following:
- (i) Licensing. (2 marks)
 - (ii) Regulatory supervision. (2 marks)
- (b) Analyse **FOUR** roles of the risk management function. (8 marks)
- (c) Summarise **FOUR** benefits of credit policies and procedures. (8 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) (i) Explain the term “ethical dilemma”. (2 marks)
- (ii) Enumerate **FOUR** requirements for ethics and compliance programs. (4 marks)
- (b) Enumerate **SIX** duties of a secretary to the SACCO’s board of directors. (6 marks)
- (c) Describe **FOUR** requirements of know your customer (KYC) for microfinance institutions. (8 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Explain the following terms:
- (i) Collateral haircut. (2 marks)
 - (ii) On-balance sheet netting. (2 marks)
 - (iii) Maturity mismatches. (2 marks)
- (b) Examine **THREE** criticisms of musharakah financing model. (6 marks)
- (c) With reference to the second pillar of Basel III, describe **TWO** principles for supervisory review. (4 marks)
- (d) Enumerate **FOUR** fiduciary responsibilities of an Agent within the context of “Principal Agent Relationships”. (4 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) Outline **THREE** circumstances when a bank may disclose consumer information to a third party. (3 marks)
- (b) List **FIVE** forms of breaches to consumer protection by unregulated lending institutions. (5 marks)
- (c) (i) State **FOUR** types of reckless and fraudulent lending in microfinance institutions. (4 marks)
- (ii) Summarise **FOUR** risk mitigation strategies used by micro finance institutions. (8 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Examine **THREE** implications of credit portfolio at risk to an organisation. (6 marks)
- (b) Discuss **THREE** applications of Value at Risk (VaR) model. (6 marks)
- (c) Explain **FOUR** responsibilities of a shareholder. (8 marks)

(Total: 20 marks)

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CCP INTERMEDIATE LEVEL

CREDIT GOVERNANCE AND COMPLIANCE

WEDNESDAY: 3 August 2022. Afternoon 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 cooperative societies, identify eight rules that apply when a member is guaranteeing another member for a loan. (8 marks)
- (b) Examine four objectives of Basel Accords. (8 marks)
- (c) Identify four restrictions on banking institutions while granting facilities to insiders on preferential terms. (4 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Enumerate six consumer rights that are sought and protected. (6 marks)
- (b) Highlight four features of Shariah-compliant valid financial contracts. (4 marks)
- (c) (i) Distinguish between liberal and strict credit policy. (4 marks)
- (ii) Outline six circumstances when a credit manager would prefer a liberal credit policy. (6 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Explain the following terms as used in the management of non-performing assets (NPAs) in lending institutions:
- (i) Impaired loan. (2 marks)
- (ii) Credit loss ratio. (2 marks)
- (iii) Nonperforming loans to total gross loans ratio. (2 marks)
- (b) Outline four issues addressed by a microfinance (MFI) liquidity risk management plan. (4 marks)
- (c) Discuss three sources of ethical standards. (6 marks)
- (d) Examine four objectives of the Corporate Governance framework in banking. (4 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) Regulators of financial institutions have policy implementation powers. Discuss four categories of such powers. (8 marks)
- (b) Explain three benefits of having the Central Bank serve as the supervisory agency of banks. (6 marks)
- (c) Describe six roles and responsibilities of a bank's board credit committee (BCC). (6 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) In respect to board independence, identify five categories of individuals whose presence on a financial institution board may be viewed as detrimental to the interest of shareholders. (5 marks)
- (b) Examine three types of credit portfolio concentration. (6 marks)
- (c) Enumerate five requirements for SACCO's external borrowing and limits on loans. (5 marks)
- (d) Discuss four characteristics of corporate governance. (4 marks)

(Total: 20 marks)

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CCP INTERMEDIATE LEVEL

CREDIT GOVERNANCE AND COMPLIANCE

TUESDAY: 5 April 2022. Afternoon paper.

Time Allowed: 3 hours.

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

QUESTION ONE

- (a) Discuss seven objectives of Kenya Bankers Association (KBA) in reinforcing a reputable and professional banking sector. (7 marks)
 - (b) Outline five functions of Bank's Assets and Liabilities Committee (ALCO). (5 marks)
 - (c) State eight functions performed by Financial Institutions Regulatory Agencies. (8 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Propose four economic advantages of Islamic finance. (8 marks)
 - (b) In relation to consumer protection Act and Regulations:
Describe six unfair practices that the Act considers as "false, misleading or deceptive representations". (6 marks)
 - (c) In respect of Non-Performing Assets (NPA), analyse four guidelines for treatment of a collateral. (6 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Discuss four asset provisioning requirements that a Savings and Credit Cooperative (SACCO) is required to conform to. (8 marks)
- (b) Chief Risk and Policy Specialist at Diana Credit Analytics (PLC) was the Chief Guest of the 15th Credit Analysts Annual Conference. In her paper titled "Developments in Credit Underwriting and Bank Credit policy", she was quoted saying "Credit policies may be the most important tool for the Board of Directors and Bank Management to define an institution's underwriting standards and credit risk appetite. However, many credit policies at community banks have been in place for a long time, with only small or ad hoc updates put in place as needed, thus the reason for increase in Non-Performing Assets".

Required:

- Analyse eight steps a Bank's Risk and Policy Analyst should follow to conduct an adequate and effective credit policy and manual review. (6 marks)
 - (c) With reference to the Central Bank Prudential guidelines, identify three instances that could justify a bank loan to be written off. (6 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) With reference to Microfinance Act, highlight five kinds of information contained in periodic reports submitted to Central Bank. (5 marks)
- (b) The following information was extracted from the books of Lyaa Itune Ltd. a Microfinance Institution (MFI).

Lyaa Itune Ltd. Loan Portfolio at Risk (PAR) by overdue

Loan Portfolio	31 December 2021
On schedule	8,537,514
Defaulting Portfolio	475,885 (Summarised below)
Loan overdue:	
1-29 days	137,004
30-59 days	100,950
60-89 days	82,022
90-179 days	73,009
180-359 days	55,880
360 days up	27,020
Total	9,013,399

Required:

- (i) Calculate PAR 30. (3 marks)
- (ii) Calculate PAR 60. (3 marks)
- (iii) Calculate PAR 90. (3 marks)
- (c) Identify three techniques that financial institutions could use to promote sound corporate culture. (6 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Enumerate four Disclosure Requirements under Basel III for banks. (4 marks)
- (b) Explain the following areas of financial institutions regulatory matrix:
- (i) Prudential regulation. (2 marks)
- (ii) Systemic regulation. (2 marks)
- (iii) Consumer protection. (2 marks)
- (iv) Competition. (2 marks)
- (c) The Chief Executive Officer shall ensure that the Board of Directors is frequently and adequately apprised of the operations of the Sacco Society through presentation of relevant Board papers.

With reference to the above statement, highlight eight contents of such Board paper. (8 marks)

(Total: 20 marks)

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CCP INTERMEDIATE LEVEL

PILOT PAPER

CREDIT GOVERNANCE AND COMPLIANCE

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) Explain four main objectives of banking institutions regulations. (8 marks)
 - (b) Suggest six common red-flags that suggests that a loan policy need to be reviewed. (6 marks)
 - (c) Analyse three main responsibilities of lending institutions board risk management committee. (6 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) With reference to non-deposit taking Sacco regulations 2020, highlight six administrative sanctions that can be taken against the Sacco and its officers by the Regulatory Authority. (6 marks)
 - (b)
 - (i) Explain the term “Greenfield micro finance”. (2 marks)
 - (ii) Discuss three stages of new institution creation under greenfield micro finance model. (6 marks)
 - (c) Highlight three main features of Islamic banking. (6 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Discuss five roles of board audit committee. (5 marks)
 - (b) Examine five basic ethical principles in banking industry. (10 marks)
 - (c) Analyse five shortcomings addressed by Basel III. (5 marks)
- (Total: 20 marks)**

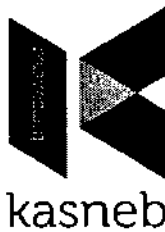
QUESTION FOUR

- (a)
 - (i) Explain the internal rating-based model of credit risk measurement. (3 marks)
 - (ii) Outline three main elements of internal rating-based approach. (3 marks)
 - (b) Discuss three main objectives of good governance in cooperative societies. (6 marks)
 - (c) Highlight four components of a credit policy. (8 marks)
- (Total: 20 marks)**

QUESTION FIVE

- (a) Analyse five responsibilities of microfinance institutions independent board of directors. (10 marks)
 - (b) Propose four common parameters of credit sensitive transactions. (4 marks)
 - (c) Summarise three characteristics of an efficient credit policy. (6 marks)
- (Total: 20 marks)**

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CCP INTERMEDIATE LEVEL

CREDIT GOVERNANCE AND COMPLIANCE

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) Explain four factors a credit manager should consider when formulating a credit policy. (8 marks)
 - (b) Analyse three practices prohibited in Islamic banking. (6 marks)
 - (c) Assess six responsibilities of a micro finance credit committee. (6 marks)
- (Total: 20 marks)**

QUESTION TWO

- (a) Analyse five actions that the board and appropriate board committees might consider as part of their credit risk management oversight within an organisation. (10 marks)
 - (b) Explain three responsibilities of Digital Lenders Associations (DLAs) in your country. (6 marks)
 - (c) With reference to SACCO society regulations 2020, outline four lending disclosure requirements. (4 marks)
- (Total: 20 marks)**

QUESTION THREE

- (a) Analyse four principles of Basel III. (8 marks)
 - (b) Discuss the seven principles of cooperatives. (7 marks)
 - (c) With reference to central bank prudential guidelines, describe five elements of a sound capital assessment process. (5 marks)
- (Total: 20 marks)**

QUESTION FOUR

- (a) Explain one objective and one key policy instrument of the following types of financial regulations:
 - (i) Prudential. (2 marks)
 - (ii) Allocative. (2 marks)
 - (iii) Protective. (2 marks)
 - (iv) Organisational. (2 marks)
 - (b) Describe the following measures of assets performance.
 - (i) Average collection period. (3 marks)
 - (ii) Collection effective index. (3 marks)
 - (c) Enumerate three delinquency management methods used by microfinance institutions. (6 marks)
- (Total: 20 marks)**

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QUESTION FIVE

- (a) Explain three benefits of good corporate governance in financial institutions regulatory agencies. (6 marks)
 - (b) Explain any three basic principles of Islamic banking. (6 marks)
 - (c) Distinguish between the following approaches to values:
 - (i) “The utilitarian approach” and “The rights approach”. (4 marks)
 - (ii) The “virtue approach” and “The common-good approach”. (4 marks)
- (Total: 20 marks)**

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