



ZCAS University

BBF5122 COMMERCIAL BANKING

MID EXAM

DATE: 19th October 2023

TIME: 16:30-19:30

DURATION: 3 HOURS (5 minutes reading)

INSTRUCTIONS

1. Section A: Question One in this section is **COMPULSORY**.
2. Section B: Answer **TWO (02)** questions from this section.
3. This test paper carries a total of **100 MARKS**.
4. Candidates must **NOT TURN THIS PAGE** until the invigilator tells them to do so.

SECTION A (Compulsory Question)

Question 1

Discuss mortgages as facilities that commercial banks use in credit management. With reference to the relevant laws how a commercial bank can bring a mortgage action in court. **(50 marks)**

SECTION B (Answer any two)

Question 2

What is the role of the Credit Reference Bureau (CRB) in ensuring that commercial banks practice sound risk management. **(25 marks)**

Question 3

“Syndicated lending is proving to be less risk than other forms of lending but very sophisticated to manage”.

Discuss the above statement. **(25 marks)**

Question 4

There are a number of approaches to the evaluation of credit. In practice, commercial banks use a combination of methods to evaluate individuals and companies in order to predict their future creditworthiness. Discuss the qualitative and quantitative credit assessment methods. **(25 marks)**

END OF TEST