

# THE TANZANIA INSTITUTE OF BANKERS



## EXAMINATION HANDBOOK

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## **MISSION**

The mission of the Institute is to promote and develop professionally qualified and competent bankers in Tanzania, primarily through a process of training, examinations and continuing professional development programs.

## **VISION**

The Tanzania Institute of Bankers aspires to become one of the best professional institutes in banking in Sub-Saharan Africa offering world class training to its members, adhering to professional excellence founded strongly on ethics and integrity in all its undertakings.

# THE TANZANIA INSTITUTE OF BANKERS



## EXAMINATION HANDBOOK

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## INTRODUCTION

The Tanzania Institute of Bankers was incorporated on 16 June 1993 under the Companies Ordinance (Cap 212) of the laws of Tanzania. The Institute is charged with the principal objectives of setting, promoting and upgrading the excellence and professionalism in the banking and financial services industry in Tanzania.

### **Objectives:**

The principal objectives of the Institute as laid down in the Constitution are as follows:

- (a) To promote, encourage and provide opportunities for members to acquire knowledge of the theory and practice of banking and to facilitate the consideration and discussion of matters of interest to bankers and persons associated with banks and financial institutions;
- (b) To act as a regulatory and disciplinary body for the banking profession and to promote professional integrity and ethics and to set standards for the banking profession;
- (c) To set, mark and conduct or approve examinations in banking subjects and accordingly to issue diplomas and certificates either alone or jointly with other educational or professional bodies;
- (d) To liaise with other educational bodies, colleges and institutions of higher learning and co-operate in the developing of teaching syllabus of the diploma in banking but with the Company remaining the examining body responsible for setting papers, moderating and appointing of examiners;
- (e) To provide facilities for reading, discussion and publication of approved papers by members of the Company and others, and to arrange for the delivery of lectures and the provision of instructions on banking and other subjects of interest or practical use to bankers;
- (f) To establish, maintain and operate libraries containing, principally, works on banking, commerce, finance, economics, law and all other allied subjects.

To achieve the above objectives, the Institute shall:

- (i) Promote educational opportunities designed to aid members in enhancing their professional skills;
- (ii) Determine the entry requirements and qualifications for their recognition;
- (iii) Monitor and maintain record of each member's formal education;
- (iv) Conduct executive development programmes for its members.

## **MISSION**

The mission of the Tanzania Institute of Bankers is to promote and develop professionally qualified and competent bankers in Tanzania, primarily through a process of training, examinations and continuing professional development programmes.

## **VISION**

The Tanzania Institute of Bankers aspires to become a world class Institute of Bankers offering world class training to its members, adhering to professional excellence founded on ethics, integrity and quality in all its undertakings.

## **PRINCIPAL PLACE OF OPERATIONS**

The Institute conducts its operations at its offices located at the 10<sup>th</sup> and 11<sup>th</sup> floors of NIC Investment House. The Institute's offices include a training room, a library and a council/board room.

## **GOVERNANCE**

The Constitution of the Tanzania Institute of Bankers Limited provides a framework for ensuring application of good governance principles and best practices by the Governing Council members, the Committee members and the management in the course of managing the day to day affairs of the Institute.

In accordance with Article 18(a) of the Constitution of the Institute, the management of the Institute is vested in the Governing Council whose members shall not be less than five and not more than fifteen. The Constitution further states that the Council

members shall be natural persons and shall be elected once in three years at the Annual General Meeting of the Institute.

The Governing Council members who are currently serving the Institute were appointed during the 11<sup>th</sup> Annual General Meeting held on 7<sup>th</sup> March 2008 for a term of three years and are as follows:-

1.	Governor, Bank of Tanzania	Chairman
2.	Managing Director, National Microfinance Bank Ltd.	Member
3.	Managing Director, NBC Ltd.	Member
4.	Managing Director, Stanbic Bank (T) Ltd.	Member
5.	Managing Director, Standard Chartered Bank (T) Ltd.	Member
6.	Managing Director, CRDB Bank Ltd.	Member
7.	Managing Director, Tanzania Postal Bank	Member
8.	Managing Director, Barclays Bank (T) Ltd.	Member
9.	Managing Director, People's Bank of Zanzibar	Member
10.	Managing Director, Commercial Bank of Africa	Member
11.	Managing Director, International Commercial Bank	Member
12.	Managing Director, CF Union Bank	Member
13.	Managing Director, Akiba Commercial Bank	Member
14.	Managing Director, African Banking Corporation	Member
15.	Executive Director, Tanzania Institute of Bankers	Member

Two Council Committees are currently assisting the Governing Council in discharging its functions. The Committees were created by the Governing Council according to powers given to the Council vide Article 26(d) of the Constitution of the Institute. The Committees are as follows:

**(i) Finance and General Purposes Committee**

1.	Governor, Bank of Tanzania	Chairman
2.	Managing Director, National Microfinance Bank Ltd.	Member
3.	Managing Director, NBC Ltd.	Member
4.	Managing Director, Tanzania Investment Bank	Member
5.	Managing Director, Azania Bank Ltd.	Member
6.	Managing Director, Habib African Bank Ltd.	Member
7.	Executive Director, Tanzania Institute of Bankers	Member

**(ii) Education and Membership Committee**

1.	Managing Director, CRDB Bank Ltd.	Chairman
2.	Managing Director, Kenya Commercial Bank	Member
3.	Managing Director, Standard Chartered Bank (T) Ltd.	Member
4.	Managing Director, DSM Community Bank	Member
5.	Principal, Institute of Finance Management	Member
6.	Executive Director, NBAA	Member
7.	Executive Director, Tanzania Institute of Bankers	Member

**(iii) Management Executive Committee**

1.	Executive Director	Chairman
2.	Registrar/Secretary to the Governing Council	Secretary
3.	Director of Training	Member
4.	Director of Finance	Member

**Current office bearers are:**

1.	Mr. Cashmir J. Nyoni	Executive Director
2.	Mr. Juma M. Juma	Registrar/Secretary to the Governing Council
3.	Dr. Colman M. Riwa	Director of Training
4.	Mrs. Mary T. Kaisi	Director of Finance

**MEMBERSHIP**

According to Article Five (5) of the Constitution, there are six categories of members of the Institute:

- (i) Corporate Members;
- (ii) Honorary Fellows;
- (iii) Fellows;
- (iv) Associate Members
- (v) Ordinary Members
- (vi) Student Members.

- (a) Corporate Members:** Shall be all the banks and financial institutions registered and carrying on banking business in Tanzania.



- (b) **Honorary Fellows:** who shall be persons of distinction in the practice or literature of banking, commercial law, economics or kindred subjects and who on invitation, or nomination by at least two or more Fellows as described in (c) hereunder, shall be accepted by the Council as fit and proper persons on the basis of their learning and contribution to the field of banking and financial institution management and additionally on the basis of character and public bearing, and shall have been elected by the Council to the rank of Honorary Fellow of the Institute;
- (c) **Fellows:** Shall be elected by the Council from among the Associates on the nomination of at least three Fellows of the Institute who shall certify in writing that the nominee is a fit and proper person to be considered and elected a Fellow;
- (d) **Associates:** Shall be individuals who have passed such examinations or obtained such qualifications as the Council may from time to time prescribe or approve.
- (e) **Ordinary Members:** Shall be such student members as shall on ceasing to be students automatically become Ordinary Members when eligible in terms of the Council requirements and in addition such persons as shall be elected by the Council from the staff of any Corporate Member's establishment or from persons in other relevant employment who have met such other requirements as the Council may determine from time to time.
- (f) **Student Members:** Shall be individuals without regard to any employment they may have but subject to such requirements of the Council and shall automatically become ordinary members when eligible in terms of the requirements.

## THE SYLLABUS

The Tanzania Institute of Bankers has undertaken a review of the syllabus which has been in use since 1998. This has been done to ensure that the professional examinations offered by the Institute can reflect the dynamic changes taking place within the banking industry.

The review has been done in conformity with the adopted syllabus of the Alliance of African Institutes of Bankers (AAIOB) of which the Tanzania Institute of Bankers (TIOB) is a founding member. As from this year (2010), the AAIOB will be offering examinations based on a common syllabus for all its members. The new TIOB revised syllabus was approved by the Governing Council in December 2009 to be effective from January 2010.

The new syllabus has three programmes. The first programme is the Banking Certificate, the second is the Certified Professional Banking while the third is the Specialist programme.

**(i) Banking Certificate**

The new structure is an improvement on the previous Banking Certificate programme with changes in names of some subjects as per AAIOB's guidelines. Each of the old subjects has been reviewed and updated in content to prepare candidates for Banking Certificate examinations. The number of subjects has remained the same as they were in the old syllabus.

The old and new subjects names are as shown below:

<b>Old Name</b>	<b>New Name</b>
Accountancy I	Accounting
Marketing, Customer Services and Business Ethics	Principles of Marketing and Business Ethics
Banking Operations and Quantitative Analysis	Principles of Banking
Introduction to Management and Business Communication	Principles of Management
Principles of Economics	Principles of Economics
Principles of Law	Principles of Law
Information Technology	Information Technology

**(ii) Certified Professional Banking (CPB)**

This is a new name of the programme replacing the old Associateship Banking Diploma. It consists of eight subjects. In the old syllabus, candidates were required to pass six core subjects and two option subjects. In the new syllabus candidates will be required to pass eight subjects. There will no longer be option subjects.

The old and new subjects names are as shown below:

### **Core Subjects**

<b>Old Name</b>	<b>New Name</b>
Lending and International Business Operations	Lending
Accountancy II	Financial Analysis
Management and Organisation	Management Practice
Monetary and Financial System	Monetary and Financial System
Law Relating to Banking	Law Relating to Banking
International Trade Finance	International Trade Finance
Strategic Marketing Management	Strategic Marketing Management
Financial Services	Financial Services

### **(iii) Specialist Programme**

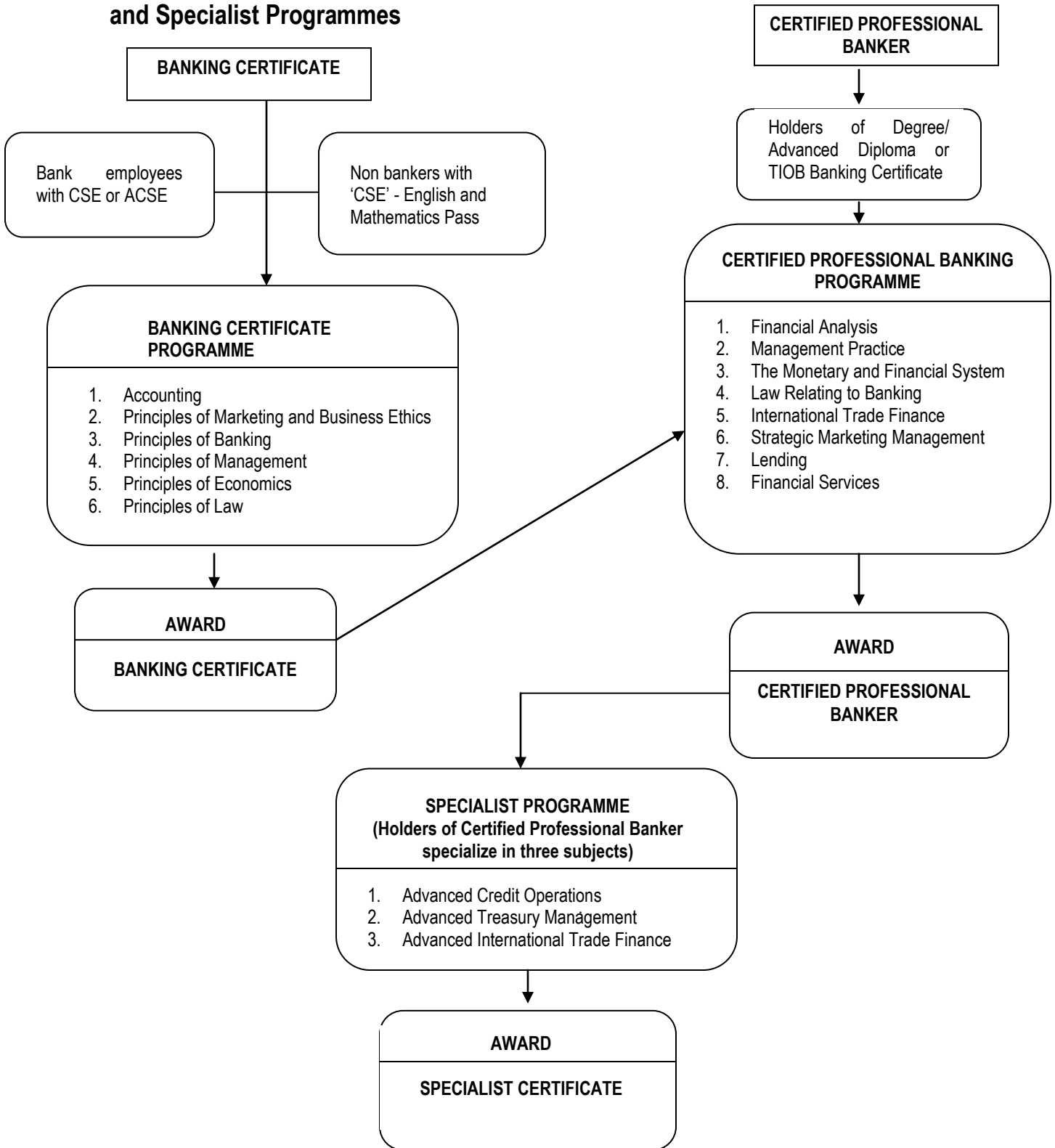
This is a new programme intended for Associateship Diploma/Certified Professional Banker graduates as part of continuing professional education.

The first intake of this programme will be examined in November 2010. Bankers who already have an Associateship Diploma or Certified Professional Banker will be allowed to specialize in three subjects.

- Advanced International Trade Finance.
- Advanced Credit Operations.
- Advanced Treasury Management.

# PROGRAMMES

## Routes to Banking Certificate, Certified Professional Banking and Specialist Programmes



## EXAMINATIONS REGULATIONS

### (i) **Examinations:**

Examinations are held twice a year, the first Monday of May and November. The examinations are written at approved centres and every attempt is made, where possible, to allow members to write examinations at a venue closest to their workplace. The examinations are set following a common syllabus for the Alliance of African Institutes of Bankers (AAIOB.) The AAIOB was founded in 1996. Members of AAIOB recognise the qualifications offered by each member institute. Members of the Alliance are Botswana, Ghana, Kenya, Malawi, Nigeria, Mozambique, Namibia, South Africa, Tanzania, Uganda, Zambia and Zimbabwe. The examinations are common in content, form and time of administration for Uganda and Tanzania.

Examinations are conducted in evening sittings starting at 04.00 p.m. and ending at 07.00 p.m. Candidates must be seated by 4.00 p.m. They must bring to the examination room their examination slip issued by the Institute which shows the subjects for which they are entered, as well as a TIOB identity card.

Candidates should only write the subjects for which they have registered. No books or papers will be allowed into the examination room. The use of silent (non programmable) calculators is permitted in relevant papers. No other aids may be used unless expressly stated on the question paper.

### (ii) **Examination Entries:**

Entries must be made on the prescribed form, which may be obtained from the Institute and from tuition centres.

### (iii) **Examination Fees:**

Completed examination entry forms must be accompanied by the appropriate fee as indicated on the forms. If after the closing date for the receipt of examination entries, a candidate withdraws his/her entry, or fails to sit the examination, neither the full fee nor any part thereof will be refunded.

### (iv) **Closing Date:**

Entry forms, accompanied by a bank pay-in slip of the appropriate fee, must reach the Institute not later than 15<sup>th</sup> March for May examinations and 15<sup>th</sup> September for November examinations. Candidates are advised to opt for one of the centres approved by the Institute. Changes of examination centre will be allowed only in case where a candidate is on transfer. Requests for

changes of centres should reach the Executive Director at least three weeks prior to the examination.

**(v) Examination Process**

The Tanzania Institute of Bankers examination process is thorough. After the process of compiling the examinations from different examiners who are expert bankers or academicians, the examinations are moderated internally in Tanzania and externally in United Kingdom (UK). They are reset according to external moderators comments. After this stage the examinations are administered, marked and moderated internally by TIOB and its local consultants. The marking is then moderated by the same external moderators currently Sheffield Hallam University (SHU) of UK. Finally the results are declared by the Education and Membership Committee and ratified by the Governing Council of the Institute.

**(vi) Pass Marks:**

The pass standard is the same for both the May and November examinations. It falls under the following bands as adopted from the Chartered Institute of Bankers (CIB) London:

Pass	-	51 – 64%
Credit	-	65 – 80%
Distinction	-	81 – 100%

**(vii) Examinations Results**

May and November examinations results will be published in July and January respectively. Candidates will be advised individually in writing of their results. A complete list of examinations results will be available for inspection at the Institute's offices, at the various tuition centers, in each corporate member bank and the TIOB website: [www.bot-tz.org/tiob](http://www.bot-tz.org/tiob).

**(viii) Exemption Policy**

Application for exemption shall be made on the Institute's prescribed Application for Exemption form. Applications must be accompanied by certified copies of qualifications obtained setting out the subjects passed. Exemption fees are payable only when the exemptions have officially been confirmed by the Institute. A subject fee will be charged for each exempted subject.

As a matter of policy, only subjects examined by and passed through formal academic or professional institutions such as universities, institutes of higher

learning or recognized professional bodies will be considered. The Institute's decision in this regard is final.

Members in possession of a degree or advanced diploma may enter directly for the Certified Professional Banking Examinations. Those who hold professional qualifications, masters degrees may apply for exemption in core subjects that were covered in their courses. Transcripts and course outlines must be submitted together with the application for exemption.

## **CONDUCT OF THE EXAMINATIONS**

- (a) Candidates shall produce their TIOB identity.
- (b) Candidates shall bring their attendance notice to the examination centre.
- (c) The examinations shall be supervised by responsible persons appointed by the Institute.
- (d) The packets of question papers should be opened at the beginning of the examination in the presence of the candidates and distributed so that all candidates may start the examination simultaneously.
- (e) Candidates are not allowed to use programmable calculators in any examination, only silent non-programmable calculators may be used. No other aids such as books, dictionaries, papers, notes or mathematical tables are permitted. Any such items which have been brought into the room must be left in the invigilator's care.
- (f) While the examination is in progress, candidates must not communicate or attempt to communicate with each other, copy from other candidates' scripts or copy from their own notes.
- (g) Any candidate who infringes the regulations will be discontinued from the examinations by the invigilator, and the case will be reported to Management of the Institute who will discuss it and implement the prescribed penalty. The case will be reported to the Council of the Institute which shall decide the appropriate penalty and the candidate may be liable to further disciplinary action which may include deregistration from the Institute.

- (h) A candidate should read carefully the instructions on the front page of their question paper before starting to answer the questions, and should complete the details required on the front of the answer book. Every candidate should ensure that any loose sheets are fastened together securely in the back of the answer book.
- (i) No candidate will be admitted to the examination room after the first 30 minutes and may not leave the room before one hour has elapsed. If a candidate leaves before the end of the examination, he/she must do so as quietly as possible to avoid disturbing others still writing.
- (j) To allow time for revision of the paper, candidates will be told when 15 minutes remain.
- (k) Smoking is not allowed.
- (l) Candidates must switch off their mobile phones while in the examination room.

## **AWARDS TO BEST CANDIDATES**

### **Council Prizes:**

- (i) **1<sup>st</sup> Council Prize.**  
Awarded annually to a candidate with the highest aggregate mark in the Certified Professional Banking examinations.
- (ii) **2<sup>nd</sup> Council Prize.**  
Awarded annually to a candidate with the highest aggregate mark in the Banking Certificate examinations.
- (iii) **3<sup>rd</sup> Council Prize**  
Awarded annually to the candidate with the highest aggregate mark in the Specialist Programme.



## **BANKING CERTIFICATE**

# BANKING CERTIFICATE

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### **Entry Requirements for the Banking Certificate**

To be eligible to enter the Banking Certificate programme, a candidate must be a member of The Tanzania Institute of Bankers. In addition, the candidate must possess the following approved ratings:

- (a) Must either be a bank employee with Certificate of Secondary Education (CSE) or Advanced Certificate of Secondary Education (ACSE).

**OR**

- (b) Must be a holder of CSE with at least a pass in English and Mathematics.

**OR**

- (c) Must be a holder of ACSE with at least one principal level pass and must have passed English language or Mathematics at CSE level.

**OR**

- (d) Holder of Certificate from National Board of Accountants and Auditors (NBAA) or Certificate from National Board of Materials Management (NBMM).

## **BANKING CERTIFICATE SYLLABI**

There are seven subjects in the Banking Certificate Programme. Candidates must pass all the seven to be eligible for the award of the Banking Certificate.

### **1.0 Accounting**

#### **Learning Objectives**

At the end of the subject coverage candidates should be able to:

- Describe fundamental accounting concepts.
- Prepare basic financial statements.
- Interpret basic financial statements.

#### **Syllabus Contents**

##### **1.1 Definition, accounting concepts and users of accounting Information**

- 1.1.1 Definition of Accounting.
- 1.1.2 Historical background of accounting.
- 1.1.3 Fundamental accounting concepts/assumptions and their importance.
- 1.1.4 Accounting theory – definition and objective.
- 1.1.5 The objectives of financial statements.
- 1.1.6 Qualitative characteristics of financial statements.
- 1.1.7 Elements of financial statements.
- 1.1.8 Users of accounting information.
- 1.1.9 Fields in accounting .
  - 1.1.9.1 Financial accounting.
  - 1.1.9.2 Cost accounting
  - 1.1.9.3 Management accounting

##### **1.2 Accounting Cycle**

- 1.2.1 Accounting Equation.
- 1.2.2 The Double Entry System and rules for recording.
- 1.2.3 Books of prime entry.
- 1.2.4 Principal books of accounts
  - 1.2.4.1 General ledger.
  - 1.2.4.2 Control accounts.
  - 1.2.4.3 Subsidiary ledgers.
  - 1.2.4.4 The cashbook.
- 1.2.5 Balancing off the Ledger and extraction of trial balance.
- 1.2.6 Preparation of basic financial statements (excluding adjustments).

### **1.3 Correction of Errors**

- 1.3.1 Errors not affecting the agreement of the Trial balance.
- 1.3.2 Errors affecting the agreement of the Trial balance.
- 1.3.3 Correction of errors and the use of Suspense Account.
- 1.3.4 Effect of book-keeping errors on profit.

### **1.4 End of Period Adjustments**

- 1.4.1 Adjustments required before preparing financial statements.
  - 1.4.1.1 Depreciation of non current assets.
  - 1.4.1.2 Bad debts and provision for bad debts.
  - 1.4.1.3 Accruals and prepayments.
  - 1.4.1.4 Opening and closing stocks.
  - 1.4.1.5 Closing entries for revenues and expense accounts
- 1.4.2 Preparation of adjusted trial balance.
- 1.4.3 Preparation of Income Statement and balance sheet.
- 1.4.4 Accounting policies, bases, conventions - IAS 1 – preparation and presentation of financial statements.

### **1.5 Bank Reconciliation statements.**

- 1.5.1 Types of bank accounts
- 1.5.2 Causes of difference between cash book and bank statement.
- 1.5.3 Preparation of Bank Reconciliation Statement.
- 1.5.4 Adjustment of cash book after the preparation of a Reconciliation Statement.
- 1.5.5 Accounting for cash balances including internal control over cash.

### **1.6 Profit measurement, Asset valuation and Accounting for Balance Sheet items**

- 1.6.1 Accounting for non current assets: tangible and intangible non current assets, revaluation of non current assets and reserve.
- 1.6.2 Depreciation and impairment of the assets.
- 1.6.3 Capital and revenue expenditure.
- 1.6.4 Accounting for stocks and stock valuation e.g. (FIFO, Average method).
- 1.6.5 Accounting for debtors, bad debts and provision for doubtful debts – IAS 39.
- 1.6.6 Accounting to foreign currency transactions as per IAS 21.

### **1.7 Single entry and Incomplete Records**

- 1.7.1 Reasons for single entry and incomplete records.
- 1.7.2 Methods of preparing the financial statements from a single entry and incomplete records.
- 1.7.3 Incomplete records and missing figures.

- 1.8 Accounting for Non-Trading Organizations (Excluding NGOs)**
  - 1.8.1 Receipts and payments accounts.
  - 1.8.2 Income and expenditure accounts.
  - 1.8.3 Profit or loss for a special venture.
  - 1.8.4 Accumulated fund.
  - 1.8.5 Preparation of balance sheet.
  
- 1.9 Partnership Accounts**
  - 1.9.1 Definition
  - 1.9.2 The Partnership Agreement
  - 1.9.3 Formation of partnership
  - 1.9.4 Partnership Act
  - 1.9.5 Admission and Retirement of a partner.
  - 1.9.6 Changes in the Constitution of the partnership e.g. changes in profit sharing plan.
  - 1.9.7 Preparation of partnership Financial Statements.
  - 1.9.8 Preparation of appropriation Account, Current and Capital Accounts.

(Exclude dissolution and conversion of partnership into Limited Company).
  
- 1.10 Preparation of accounts of Limited companies. (Exclude consolidation)**
  - 1.10.1 Formation and types of companies as per Companies Act.
  - 1.10.2 Accounting for issue of shares including forfeiture of shares.
  - 1.10.3 Published accounts of companies, and regulation of accounts and audit.
  - 1.10.4 Reserves: distributable and non-distributable reserves.
  - 1.10.5 Company profits, corporation tax, dividends and provisions. Other aspects related to disclosure requirements for published company accounts i.e. exceptional and extraordinary items and prior year adjustments.
  - 1.10.6 Limitations of Published Financial Statements.
  
- 1.11 Introduction to Cost Accounting for Decision Making**
  - 1.11.1 Cost behaviour – fixed and variable costs.
  - 1.11.2 Cost – volume – profit relationship and break-even analysis.
  - 1.11.3 Assumptions and limitations of breakeven analysis.
  - 1.11.4 Marginal costing and its use in routine decision making.
  - 1.11.5 Marginal costing and absorption (full) costing compared.

## **1.12 Preparation of manufacturing accounts**

1.12.1 Basic concepts – Prime cost, cost of manufactured goods.

1.12.2 Preparation of manufacturing accounts.

1.12.3 Preparation of financial statement of a manufacturing firm.

## **1.13 Introduction to Performance Assessment**

1.13.1 Interpretation of Financial Statements and ratio analysis.

1.13.1.1 Liquidity ratios.

1.13.1.2 Profitability ratios.

1.13.1.3 Efficiency or activity ratios.

1.13.1.4 Gearing ratios.

1.13.2 Common size analysis.

1.13.2 Limitations of ratio analysis.

1.13.3 Trend analysis.

## **1.14 Introduction to Taxes**

1.14.1 Definition and concept of tax.

1.14.2 Classification of Taxes – Direct and Indirect.

1.14.3 Tax Administration and Structure in Tanzania.

### **Examination Structure**

**Time Allowed** : Three hours

**Examination Format** : The examination paper consists of six questions divided into two sections. Candidates should answer five questions, as follows:

**Section A** : This section consists of two compulsory questions. Each question carries 20 marks.

**Section B** : This section consists of four questions and candidates should attempt any three. Each question carries 20 marks.

### **Required Reading:**

1. O. M. Urassa, **Accounting**, TIOB (forthcoming).
2. O. M. Urassa, **Accounting I**, TIOB (2003)

**Recommended Readings:**

1. Edwards and Mellet, **Introduction to Accounting** (CIB/Bankers Books)
2. Framework for the Preparation and Presentation of Financial Statements.
3. International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as recommended by the Accounting Profession from time to time.
4. Banking and Financial Institutions Acts, 1991, 2001, 2006.



## 2.0 Principles of Marketing and Business Ethics

### Learning Objectives:

At the end of the subject coverage learners should be able to:

- Describe the importance of marketing in the financial services industry.
- Explain the core marketing concepts, processes, approaches and techniques and how they are applied to satisfy customer needs and generate customer satisfaction.
- Identify and learn ethical issues and principles in the marketing of financial services.
- Recognise the nature and challenges posed by the competitive environment of financial services organisations.

### Syllabus Contents:

#### 2.1 Marketing

- 2.1 Definition and Meaning of Marketing.
- 2.2 The difference between marketing and selling.
- 2.3 Characteristics and marketing challenges of financial services.
- 2.4 Core concepts of marketing (needs, wants and demands, exchange and transactions; markets; market segments and target markets; value and satisfaction; etc).
- 2.5 Marketing Orientations towards the market place.
- 2.6 Elements of the marketing planning process; marketing plans and branch marketing plans.
- 2.7 The marketing research process.
- 2.8 Buying behaviour of customers (personal customers; business customers; influences on buying behaviour; individual and organisational buying processes).
- 2.9 Market segmentation in banking: meaning benefits, and market segmentation approaches/methods.
- 2.10 The marketing mix and expanded marketing mix concepts.
  - 2.10.1 Definition and meaning of the marketing; Elements of the traditional and expanded marketing mix.
  - 2.10.2 Product Decisions (Bank Products, New Product Development Process, Product life Cycle).
  - 2.10.3 Price Decisions (Meaning of price in banking, price determinants, pricing methods/strategies, interest rate setting, role of branch and head office in price decisions).
  - 2.10.4 Place/Distribution Decisions (types of Delivery/distribution channels/ outlets in banking; impact of technology on the bank's distribution system).

- 2.10.5 Promotion Decisions (Communication process; promotion mix; advertising, sales promotion, personal selling, public relations and publicity; direct mail, the promotional campaign).
- 2.10.6 Meaning and role of the people, process and physical evidence elements in the bank's marketing mix.
- 2.11 Selling (The selling process; selling skills and attributes; areas of sales training in banking; role and benefits of the direct sales force).
- 2.12 Customer care (Meaning and importance of customer care; dimensions and determinants of service quality, etc).

## **2.13 Business Ethics**

- 2.13.1 Meaning of business ethics and its importance in business in general and banking in particular.
- 2.13.2 Differences between ethics, social responsibility, morality and the law.
- 1.13.3 Ethical decision making and factors that influence it.
- 2.13.4 Ethical codes; meaning; content; types including corporate/organisation code of ethics, professional code of ethics, industry code of ethics and programme/group code of ethics.
- 2.13.5 The Tanzania Institute of Bankers Code of Ethics in Banking.
- 2.13.6 Stakeholders and in ethics: ethical expectations of shareholders, employees, customers, competitors, society/community, suppliers, state/government and trade unions.
- 2.13.7 Ethical issued in marketing.
- 2.13.8 Business ethics management, including use of mission or value statements; codes of ethics; ethics for managers, officers and committees; ethics for consultants; ethics for education and training; auditing; accounting and reporting; reporting/advice channels; whistle blowing; risk analysis and management.

## **2.14 The Competitive Environment**

- 2.14.1 Types of competition in banking.
  - Intratype competition i.e. competition between/among banks; areas and nature of competition.
  - Intertype competition, i.e. between banks and non-banks including, Pension Funds (e.g. PPF, NSSF, LAPF, PSPF); Bureaux de change; Unit Trusts; Stock Exchange; Super Markets, Petrol Stations, Courier Services, Telecommunication Companies etc.
  - Substitute products that compete with bank products.
- 2.14.2 Determinants of competition (overview of Michael Porters model of competitive forces).

**Examination Structure**

**Time Allowed** : Three hours

**Examination Format** : The paper consists of eight questions divided into three sections. Candidates should answer five questions, as follows:

**Section A** : **Marketing**  
This section consists of four questions and candidates should attempt any three. Each question carries 20 marks.

**Section B** : **Business Ethics**  
This section consists of two questions and candidates should attempt one question. Each question carries 20 marks.

**Section C** : **The Competitive Environment**  
This section consists of two questions and candidates should attempt one question. Each question carries 20 marks.

**Required Reading:**

1. Mbura, O. K., **Principles of Marketing and Business Ethics**, TIOB (forthcoming).
2. Mbura, O. K., **Marketing, Customer Services and Business Ethics**, TIOB (2004).

**Recommended Reading:**

1. BPP/CIB Study Text; **Customer Services: Marketing and the Competitive Environment**, (1992).
2. Crane A. Z. Matten, D.; **Business Ethics**. Oxford University Press (2007).
3. Mayal, C. & Palmer S., **Customer Services: Marketing and the Competitive Environment**. Pitman. London (1993).

### 3.0 Principles of Banking

#### Learning Objectives:

At the end of the subject coverage learners should be able to:

- Describe the evolution of banking operations.
- Explain the nature, theory, concept, characteristics and functions of money.
- Describe causes and effects of changes in the demand and supply money.
- Demonstrate the ability to implement the best principles of processing cheques.
- Demonstrate the ability to follow the best practices and procedures of opening and operating bank accounts.
- Demonstrate understanding of the various products that banks can offer.
- Explain a range of issues related to money laundering and frauds in banks.
- Demonstrate the understanding of the basics of the lending business.
- Explain the documents used in international trade, importance of correspondent banking, exchange rates and basic issues in international trade finance.
- Demonstrate the understanding of the basics of the financial system.

#### Syllabus Contents

##### 3.1 Introduction to Banking Operations

**This section accounts for 20% of the course.**

###### 3.1.1 The Business of Banking:

- An overview and historical evolution of Banking Operations.
- Deposit mobilization.
- Money: Meaning and its origin; Theory and concepts; function; characteristics; Demand and Supply.
- Cheques:
  - Definition of a cheque;
  - Payments by cheques and Collections of cheques;
  - Crossings; endorsements;
  - Risks associated with payments and collection of cheques.
- Non paper money/Plastic Money:  
E.g. Credit Card, Debit card, Smart card, etc.

###### 3.1.2 Bank Accounts:

- Definition.
- Types of Accounts.
  - Types by Function.  
(Current accounts, Savings accounts, Term deposits).

- Types by Customer.  
(Individual, Joint accounts, Partnership, Sole proprietor, Limited Companies, Clubs and Associations, Solicitors accounts, Personal representative accounts, Trustee account).
  - Procedures of opening and operating an account.
    - Opening , Withdrawals, Stop Payments, Delegation of Authority, Change of Signing Powers, Death of an Account Holder, Mental Insanity of Account Holder, Bankruptcy of Account Holder).
  - Know Your Customer (KYC).
  - Bank-Customer Relationship.
- 3.1.3 Other Bank Products:**
- Money transmission and receipt (TT, SWIFT, Moneygram, TISS, etc).
  - Home banking/Electronic Banking Services (efficiencies, types, risks).
  - Insurance Services.
  - Savings and Investment Services.
  - Executor and Trustee Services.
  - Discounting.
- 3.1.4 Money Laundering and Fraud:**
- Definitions and concepts.
  - Bank frauds.
  - Frauds in:
    - Deposit accounts, advances, remittances, plastic cards, foreign exchange.
    - Computers, Information Technology (IT), ATMs.
  - Detection of forgeries and identification of signatures.
  - Forgery in currency notes.
  - Money laundering – examples of suspicious transactions.
  - Legal issues in prevention of fraud and money laundering.
  - Role of central banks, on-site and off-site surveillance.

## **3.2 Lending Business**

**This section accounts for 40% of the course**

### **3.2.1 Lending Environment:**

- Concept/Definition.
- Analysis of environment affecting lending activities.

- Lending Policies and manuals.
- The Importance of lending operations in banks.
- Attributes of good lending.
- Lending Proposition.
- Regulatory Guidelines in lending such as Basle, BFIA, and other circulars.

### 3.2.2 **Types of borrowers:**

Personal Borrowers; Clubs and Associations; Trustees; Sole traders; Partners and Limited Liability Companies.

### 3.2.3 **Types of credit facilities available:**

Overdraft facilities; Personal Loans; Term Loans; Bills Discounting; Invoice Discounting; Letters of Credits; Guarantees and Indemnities and Revolving Credits.

### 3.2.4 **Credit Analysis/ Credit Appraisal**

- Basic principles of good lending.
- Procedures for handling of a lending proposition.
- Loan Application documents (business plans, cash flow projections, financial statements, etc).
- Factors to be considered:
  - CAMPARI, Liquidity ratios, efficiency ratios, market ratios and their relevancy in credit decision.
- Analysis of Industry and Business Risks.

### 3.2.5 **Security/ Collaterals;**

- Types of securities acceptable to banks.  
Letters of offer/ the contracts; Security documents (mortgage, debenture, title deeds, directors' guarantees, etc)
- Conditions and procedures of taking security.
- Attributes of good security.
- Legal implications of security perfection and realization in Tanzania.
- Procedures for discharge and realization of security.

## 3.3 **International Business Operations**

**This section covers 20% of this course**

### 3.3.1 **Correspondent Banking.**

- Definition/Concept.
- Importance of correspondent banking.
- Operations of Nostro and Vostro Accounts.
- Operations and Reconciliations of Interbank Accounts.

### 3.3.2 International Trade

- Definition.
- Terms of Trade.
- Documents used in International Trade.
  - Bill of Lading, Seaway Bill, Airway Bill, Commercial Invoice, Certificate of Insurance, Certificate of Origin, Clean Report of Findings, Packing List, etc..
- Risks of International Trade.
- Terms of payments.
  - Letters of credit, Collections, Guarantees, etc.
- Incoterms (EXW, Free Carrier (FCA), Free Alongside Ship (FAS), Free on Board (FOB), Cost and Freight (C and F), Cost, Insurance and Freight (CIF), Delivered at Frontier (DAF).
- Ethics in International Trade.
- International Rules Governing International Trade (UCP, URC etc).

### 3.3.3 Exchange Rates.

- Definition and types.
- Factors affecting exchange rates.
- Buying and selling of foreign currency.
- Types of exchange rates systems.
- Exchange rate risk management.

### 3.3.4 Acceptance Credits and Specialized Trade Finance.

- Types of acceptance credits.
- The role of credit insurance in International Trade Finance.
- Guarantees and bonds.

## 3.4 An Overview of Financial System

This section covers 20% of the course.

### 3.4.1 Tanzania Financial System:

- Definition of financial system.
- The role of banks in Financial Intermediation.
- Types of Financial Institutions in Tanzania (Banks and Non Bank Financial Institutions).

### 3.4.2 Central Banking and Regulatory framework:

- Definition and functions.
- The roles of the Central Bank.
- Introduction to Monetary Policy and Fiscal Policy.
- Licensing.
- Supervision/Regulation of the financial system.

### 3.4.3 **Commercial Banking**

Core objectives and activities; Core products; Markets; Role in Financial Intermediation and credit creation.

### 3.4.4 **Merchants and Development Banks**

Objectives and activities; Core products; Markets; Role in Financial Intermediation and credit creation.

### 3.4.5 **Introduction to Financial Markets**

Definition/Concept; Functions of Financial Markets; Players and Instruments used in the Financial Markets.

#### **Examination Structure:**

**Time Allowed** : Three hours

**Examination Format** : The paper consists of eight (8) questions divided into 4 sections. Candidates should answer five (05) questions, as follows:

**Section A** : One compulsory question of 20 marks on Introduction to Banking Operations.

**Section B** : Three questions on Lending, each 20 marks; candidates are required to attempt any two questions only.

**Section C** : Two questions on International Business Operations of 20 marks each. Candidates are required to attempt one question only.

**Section D** : Two questions on Introduction to Financial System of 20 marks each. Candidates are required to attempt one question only.

#### **Required Reading:**

1. T. A. Satta, **Principles of Banking**, TIOB (forthcoming).
2. T. A. Satta, **Banking Operations**, TIOB (2003)

#### **Recommended Readings**

1. Davies A & Kearns M, (1994) **Banking Operations**; Pitman Publishing London UK.
2. N. J. Kessy, **The Monetary and Financial System**; TIOB (2003)
3. Alistair Watson, **Finance of International Trade**; for Chartered Institute of Bankers (2000), Financial World Publishing London UK



4. Keith Pond and Geoff Lipscombe (1999), **The Business of Banking**; 1<sup>st</sup> edition  
Financial World Publishing, London UK.
5. F. L. Mutasa, **Principles of Economics**, TIOB (2003).
6. Geoffrey Lipscombe (1994), **Economics and the Banks' Role in the Economy**,  
2<sup>nd</sup> Edition by Pitman Publishing London UK.

## 4.0 Principles of Management

### Learning Objectives

At the end of the syllabus coverage, learners should be able to:

- Explain the basic concepts, principles, functions and roles of General Management as applied in the context of financial services organisations.
- Describe the process of communication, types of effective communication and the social aspects of communication and be able to communicate effectively for better business results in banking organisations.
- Identify and explain the human resource management and development activities/functions in business organisations.
- Explain the concept of 'Labour (or industrial) Relations' and identify ways of promoting conducive industrial relations at places of work.

### Syllabus Contents

#### 4.1 Introduction to Management

##### 4.1.1 Management

- Definition of Management.
- Definition of a Manager.
- Roles of Management
  - Traditional.
  - Modern.
- Basic Managerial skills.

##### 4.1.2 Functions of Management

- Planning,
- Staffing.
- Organising,
- Directing and
- Controlling.

##### 4.1.3 Organisation

- Definition of organisation.
- Importance of organisation.
- Characteristics of organisations.
- Types and structures of organisations.
- Organisation charts and their functions.
- Organisation as a process.
- Corporate Culture: its meaning and characteristics.

## **4.2 Communication**

### **4.2.1 Communication**

- Meaning and process of communication.
- Methods of communication.
- Barriers to effective communication.
- Overcoming the barriers.

### **4.2.2 Communication and Interpersonal Skills**

- Active listening skills.
- Developing effective feedback skills and listening skills.
- Delegation.
- Developing effective delegation skills.

### **4.2.3 Social aspects of Communication**

- Customer relations.
- Public relations.
- Use of mass media.

### **4.2.4 Business Communication**

- Note taking.
- Effective memorandums and notices.
- Effective business letters.
- Organisation and conduct of formal meetings.
- Report writing.
- Planning and conducting interviews.

## **4.3 Human Resource Management**

### **4.3.1 Understanding the Concept of Human Resource Management**

- Meaning of Human Resource.
- Meaning of Human Resource Management.

### **4.3.2 Managing the Individual**

- Recruitment and selection.
- Training and development.
- Compensation and Motivation.

### **4.3.3 Managing the Group**

- Definition.
- Formal and informal groups.
- Group dynamics.
- Formation and termination of groups.
- Functions of groups.
- Team and team building.

### **4.3.4 Leadership**

- Definition.
- Functions of leadership.

- Leadership styles
- 4.3.5 **Self Management**
  - Time management.
  - Assertiveness.
  - Managing stress.
  - Self-knowledge and development.
  - Aggression.
  - Career Development.

#### 4.4 **Labour Relations**

- 4.4.1 Introduction of the Concept of 'Labour Relations'.
- 4.4.2 Factors Affecting Labour Relations.
- 4.4.3 Institutions for Managing Labour Relations.
- 4.4.4 Industrial disputes.
- 4.4.5 Collective bargaining.
- 4.4.6 Grievance handling.
- 4.4.7 Disciplinary procedures.
- 4.4.8 Employee benefits.
- 4.4.9 Occupational health and safety.

### **Examination Structure**

<b>Time Allowed</b>	:	Three hours
<b>Examination Format</b>	:	The paper consists of eight questions divided into 3 sections. Candidates should answer five questions as follows:
<b>Section A</b>	:	One compulsory question of 20 marks on Introduction to Management.
<b>Section B</b>	:	Two questions on Communication of 20 marks each. Candidates are required to attempt one question.
<b>Section C</b>	:	Five questions on Human Resource Management and Labour Relations. Candidates are required to attempt any three questions. Each questions carries 20 marks.

### **Required Reading**

1. C. M. Riwa, **Principles of Management**, TIOB (forthcoming).
2. C. M. Riwa, **Introduction to Management and Business Communication**, TIOB (2004).

### **Recommended Readings**

1. B W Stone, **Supervisory Skills** (Pitman/CIB)
2. P W Betts, **Supervisory Management** (Pitman).
3. BPP, **Supervisory Skills: Study Text.**  
(BPP Publishing)

## 5.0 Principles of Economics

### Learning Objectives

Upon completion of the course the candidate should be able to:

- Define various concepts/ principles used in micro and macro economics.
- Describe price determination mechanisms.
- Demonstrate an understanding of cost and markets environment in which banks operate.
- Describe national income accounting and its role in the banking sector.
- Demonstrate an understanding of how the goods and assets markets underpin growth, inflation and unemployment, and the role that fiscal and monetary policy play in macroeconomic management.
- Describe the role of government in banking sector.
- Relate international trade, balance of payment and foreign exchange to banking sector.
- Explain the importance of population in banking sector.
- Solve and manipulate a variety of simple diagrammatic models in micro- and macroeconomics.
- Identify the applications of, limitations to, and improvements in the models learned.

### Syllabus Contents

#### Introduction

- Positive and Normative Economics.
- Concepts of economics.
  - Scarcity and Choice.
  - Opportunity Costs, Trade-offs,
  - Production Possibilities Curves (PPC/PPF)
    - Efficient, Inefficient, and Beyond Possibilities.
    - Marginal Rate of Transformation (MRT) and Increasing Opportunity Costs.
- Fundamental Questions - Deciding what to produce, how to produce it, and for whom to produce.

#### Demand, Supply and Elasticities

- **Demand**
  - Law of Demand.
  - Income Effect and Substitution Effect.
  - Demand Schedule and Demand Curve.
  - Determinants of Demand and Determinant of Quantity Demanded.
  - Shift in the Demand Curve Versus Movement Along the Demand Curve.

- **Supply**
  - Law of Supply.
  - Supply Schedule and Supply Curve.
  - Determinants of Supply and Determinants of Quantity Supplied.
  - Shift in the Supply Curve Versus Movement Along the Supply Curve.
  
- **Equilibrium and the Price System**
  - Effects of Changes in Demand on the Equilibrium.
  - Effects of Changes in Supply on the Equilibrium.
  - Effects of Simultaneous Changes in Demand and Supply on the Equilibrium.
  
- **Elasticities**
  - Definition of Price Elasticity of Demand.
  - Elastic, Inelastic, and Unit Elastic Relationship.
  - Calculating Price Elasticities of Demand.
  - Relationship Between Price Elasticities of Demand and Revenues/Expenditures.
  - Determinants of Price Elasticities of Demand.
  - Income, cross, and interest elasticities.
  - Other Elasticities of Importance (optional).
  
- **Consumer choice and demand**
  - Utility and the indifference curve.
  - Budget Line.
  - Marginal Utility Theory.
  
- **Production and cost for the firm**
  - Production
  - Physical Product.
  - Average Physical Product.
  - Marginal Physical Product.
  - Diminishing Marginal Returns.
  
- **Costs**
  - Total Costs.
  - Fixed Costs.
  - Variable Costs.
  - Marginal Costs.
  - Short Run versus Long Run.
  - Accounting versus Economic Profit.

- **Firms behaviour and organization of industry**
  - Types of market structures.
  - Price, output and profit determination in each structure.
  
- **National Income**
  - An overview of income accounting.
  - Uses of national accounting.
  - Definition of GDP, GNP, Real GNP and nominal GNP.
  - Approaches for measuring national income.
  - Determinants of national income.
  - The role of banks into National Income.
  
- **Inflation and Unemployment**

Inflation

  - Definition of inflation.
  - Types of inflation.
  - Causes of inflation.
  - Economic effects of inflation.
  - The relationship between banks and inflation.
  
- **Unemployment**
  - Definition of unemployment.
  - Measuring unemployment.
  - Types of unemployment.
  - Effect of unemployment on banks operations.
  - The relationship between inflation and unemployment.
  
- **Financial structure and markets**
  - Financial Systems.
  - Financial Disintermediation and Intermediation.
  - The composition of financial Intermediaries.
  - Financial intermediaries in Tanzania.
  - An overview of financial markets.
  - Types of financial markets.
  - Financial markets instruments.
  - Commercial Banks.
    - History of Commercial banks.
    - Types of commercial banks.
    - Functions of commercial banks.
    - An overview of Commercial banks in Tanzania.
  - Central banks.
    - Definition of Central Bank.



- Functions of central Bank.
- Central Bank and Monetary policy.
- The role of Bank of Tanzania in the Economy.

### **Money and Interest rate**

- **Money**
  - Definition.
  - Characteristics.
  - Functions.
  - Types of money.
- **Demand for Money.**
  - Definition.
  - Determinants of demand for money.
- **Money supply.**
  - Definition.
  - Monetary aggregates and components (Tanzanian context).
  - Change in Money supply.
- **Interest rate.**
  - Real and nominal interest rate.
  - Determinants of interest rate.
  - Main interest rates in the banking sectors.
  - The effect of interest rates on the economy.

### **International Economy**

- **International trade.**
  - Definition.
  - Theories of International trade.
  - Advantage of International trade.
  - Terms of Trade.
  - Free trade and protectionism.
  - The role of Banks in International Trade.
- **Balance of Payment (BOP).**
  - Definition.
  - Components.
  - Causes of BOP disequilibrium and remedies.
  - The role of Banks in BOP.
- **Foreign exchange.**
  - Definition.

- Exchange rates regimes.
- Determinants of Exchange rate.
- Buying and Selling of foreign exchange.
- Commercial banks and foreign exchange.

### **Government, the Economy and Banks**

- Rationale of government intervention in the economy.
- Public finance and Fiscal Policy.
  - Government expenditure.
  - Government revenue.
  - Taxation.
  - Borrowing (National debt).
- Government Legislation and Banking Regulation.
  - Bank of Tanzania Act. (2006).
  - Banks and Financial Institutions Act (2006).
  - The Companies Ordinance.
  - The Cooperative Societies Act (1991).
  - The Land Act (1999).
- Banking Supervision and regulations.
- Government policies and banking sector.

### **Population**

- The rate of growth of population.
  - Ways in which economic growth affects the rate of growth of population.
  - The effects of population growth on human resources, natural resources and capital formation.
  - Population growth and the economy in the developing world.
- Population and GDP.
- The linkage between population growth and the banking sector.

### **Examination Structure**

**Time Allowed** : Three hours.

**Examination Format** : The paper consists of seven questions divided into two sections. Candidates are required to answer five questions. Each question carries 20 marks.

**Section A** : Two compulsory questions (40%).

**Section B** : Five questions and candidates are required to answer any three questions (60%).

**Required reading**

F. L. Mutasa, **Principles of Economics 2<sup>nd</sup> Edition**, TIOB (forthcoming).  
F. L. Mutasa, **Principles of Economics**, TIOB (2003).

**Recommended Readings**

1. G. Lipscombe, **Economics and the Banks' Role in the Economy** (Pitman/CIB)
2. John Beardshaw, David Brewster, Paul Cormack & Andrew Ross (2001) **Economics- A Student Guide**.
3. Robin Bade & Michael Parking (2007, **Essential Foundations of Economics** – 3<sup>rd</sup> Edition.

## 6.0 Principles of Law

### Learning Objectives:

At the end of the subject coverage, learners should be able to:

- Demonstrate knowledge and understanding of the principles of law relating to the business of banking.
- Apply those principles to practical banking situations and problems.
- Communicate their conclusions to such problems effectively to colleagues and to customers.

## Syllabus Contents

### 6.1 General Introduction

- Definitions and concepts.
- Sources of law in Tanzania.
  - Constitution.
  - Legislation.
  - Customary and Islamic Laws.
  - Reception Clauses.
  - Case Law and Precedents.
- Classification of laws.
  - Public/Private.
  - Civil/Criminal.
  - Common Law/Equity.
  - Substantive/Procedural.
  - International/Municipal Law.

### 6.2 Tanzania Courts System and their Jurisdiction

The structure of the courts system in Tanzania

- Primary Courts.
- District Courts and Resident Magistrates Courts.
- The High Court of Tanzania.
  - Commercial Division.
  - Land Division.
  - Labour Division.
- The Court of Appeal of Tanzania.

### 6.3 Principles of Law of Contract

- The meaning of a contract.
- Essential elements of a valid contract.
- Types of contracts.
- Offer and acceptance.
- Termination of an offer.

- Revocation of acceptance.
- Consideration.
- Contractual capacity.
- Intention to create legal relations.
- Free consent.
- Termination of Contracts.
- Breach of contract and its consequences.
- Remedies for Breach of Contract.

#### **6.4 Banker-Customer Relationship**

- Definition of a banker.
- Definition of a customer.
- Nature of the banker and customer relationship.
- The agreement between a banker and a customer.
- Obligations of the parties in a banker-customer relationship.
- The rights of a banker in a banker-customer relationship.
- The rights of a customer in a banker-customer relationship.
- Termination of the Banker and customer relationship.

#### **6.5 Accounts of Customers**

- Introduction.
- Types of Accounts:
  - Personal Accounts.
  - Joint Accounts.
  - Minor's Accounts.
  - Trust Accounts.
  - Accounts of Personal Representatives.
  - Accounts of Limited Liability Companies.
  - Accounts of Partnerships.
  - Accounts of Unincorporated Associations - Clubs.
- Opening of Accounts:
  - Procedures.
- Closure of Accounts.

#### **6.6 Negotiable Instruments**

- Definition of Negotiable instruments.
- Types of Negotiable Instruments.
  - Bills of Exchange.
  - Promissory Notes.
- Cheques:
  - Meaning.
  - Cheques as a means of payment.

- Forms of a cheque.
- Meaning and Characteristics of a Cheque.
- Crossing of a Cheque and the types of Crossings.
- Types of Holders.
- Collection of Cheques and Liability ensuing therefrom.
- Paying Cheques.
- Cheque guarantee cards and credit cards.

## 6.7 Securities for Advances

- Meaning of security.
- The Concept of Property and its use as Security.
- Types of securities:
  - Property.
  - Mortgage of Land.
  - Guarantees and Indemnities.
  - Life Insurance Policy.
- Goods as security.
- Realisation of the security.
- Release of the security.
- Discharge of the security.

## 6.8 Law of Torts Relevant to Bankers

- The meaning and characteristics of the Law of Torts.
- Specific Torts:
  - Conversion .
  - Defamation.
  - Negligence.
- Vicarious liability.

## Examination Structure

**Time Allowed:** Three hours.

**Examination Format:** The paper consists of eight (8) questions divided into four sections. Candidates should answer five questions, at least one question from each section.

**Section A :** Consists of two questions on Legal Systems up to Accounts of Customers, each carrying 20 marks.

**Section B:** Consists of two questions each 20 marks on Negotiable Instruments and other means of payment.

**Section C:** Consists of two questions on Banker's Securities, each 20 marks.

**Section D:** Consists of two questions on torts and other aspects of banking law, each 20 marks.

**Required Reading:**

R. A. Mwaipopo, **Principles of Law**, TIOB (2005).

**Recommended Readings**

**A: Books**

1. CIB Study Text: Certificate – **Banking Legal Environment**.
2. David Palfreman; **Banking: The Legal Environment**.
3. N. N. N. Nditi, Law of Contracts, DUP (2005).

**B: Legislation**

1. Judicature and Application of Laws Act, RE 2002.
2. The Constitution of the United Republic of Tanzania.
3. The Magistrates Courts Act, 1984.
4. The Appellate Jurisdiction Act.
5. The Civil Act Procedure, 1966.
6. The Law of Contract Act Cap. 433, RE 2002.
7. The Land Act, 1935.
8. The Village Land Act, 1999.
9. The Land Registration Act, Cap 334, RE2002.
10. The Land Regulations, 1948.
11. The Registration of Documents Act, Cap 117, RE 2002.
12. The Companies Act Cap 212, RE 2002.
13. The Business Names Act, Cap 213, RE 2002.
14. The Bills of Exchange Act, Cap 214, RE 2002.
15. The Cheques Act, 1969.
16. The Mortgages Financing (Special Provisions) Act, 2008, No. 17 of 2008.
17. The Chattels Transfer Act, Cap 210 RE 2002.

## 7.0 Information Technology

### Learning Objectives:

At the end of the subject coverage learners should be able to:

- Explain the technical foundation of information technology
- Use commonly available packages in their day to day operations.
- Apply learned information technology concepts at work place (e.g. word processors, spreadsheets, database management systems).

### Syllabus Content:

#### 7.1 Introduction to Information Technology

- Definitions of terms/concepts and provide examples.
- Revolutionary/Evolutionary Nature of Information System.
- Importance of Information Technology and Information System at Work.
- Career Developments of Information Technology in Banking Industry.
- Examples of Information Technology in Banking Industry.
- Business Needs and Necessity for Information Technology.

#### 7.2. Computer Hardware

- Meaning of computer hardware
- Binary Number System.
- Processing Devices.
- Processing Methodologies.
- Storage Devices.
- Recent Changes/Developments in Processing and Storage Devices.
- Impact of Processing and Storage in the Banking Industry.

#### 7.3. Hardware Input and Output Devices

- Input Devices.
  - Keyboard.
  - Mouse.
  - Touch Pad.
  - Touch Screen.
  - Bar Code Readers.
  - Joystick.
  - Audio input Devices.
    - Microphone.
    - Voice recognition and response devices.
  - Scanner.



- Magnetic Ink Character Recognition.
- Optical Character Readers.
- Black Stripe Readers.
- Output Devices.
  - Printers.
  - Display Units.
  - Audio Output Devices (e.g. speakers).
  - Plotters.
- Automated Teller Machines.

#### **7.4. Computer Software**

- Meaning of software.
- Systems Software.
- Operating Systems.
- Utilities Software.
- Device Drivers (e.g. printer drivers).
- Firmware.
- Programming Languages.
- Application Software.
- General Packages.
- Selection of Application Packages.
- Integrated Software (e.g. Microsoft Office).
- Trends in software development industry and their impact in Banking Business.

#### **7.5. Data Communication Systems**

- What is a Data Communication System?
- Importance of Telecommunication System for Banking Operations.
- Problems Created by a Data Communication System.
- Data Communication Terminals.
- Data Communication Hardware.
- Data Communication Software.
- Data Communication Channels.
- Examples of Data Communication Systems in the Banking Industry.
  - Electronic Data Interchange.
  - SWIFT.

## **7.6. Internet and Electronic Commerce**

- Definition of terms:
  - Internet.
  - Electronic Mail.
  - File Transfer Protocol.
  - Chat.
  - Bulletin Boards.
  - World Wide Web.
  - Electronic Business.
- Changes of Banking Operations due to Emergence of Internet and Electronic Commerce to the Banking Industry.

## **7.7. Data Security and Control.**

- Threats to Information Systems.
- Human Engineered Problems.
- Natural Calamities.
- Virus Threats in Banking Industry in Tanzania.
- Information Systems Security and Control.
- Information Systems' Auditing and Computer Assisted Auditing Techniques

## **7.8. Social and Economic Effects of Computers**

- Impact of Information Systems on Individuals and Social issues created by information systems in the banking industry.
- Impact of Information Systems on Organisations.
- Information Systems and Competitive Advantages.
- Information Systems in Management and Control of Organisations.
- Impact of Information Systems on Society.
- Effects of Information Systems on Employment.

## **7.9. Word Processing**

- Definition of Word Processing.
- Examples of Word Processors.
- Common Features for all Word Processors.
- Tools Available in Word Processors.
  - Spell Checkers.
  - Thesaurus.
  - Widow/Orphan Protection.
  - Track Changes.
  - Auto Correct.
  - Search, Search and Replace.

- Printing Envelopes and Labels.
- Table of Contents and Indexes, etc.
- Mail merge.
- Security Features in Word Processors.
- In-built Templates.
- Changes in the Banking Industry due to Availability of Word Processors.

#### **7.10. Electronic Spreadsheet**

- Definition of a Spreadsheet.
- Common Features of all Electronic Spreadsheets: Cells, Cell Address and Data Entry.
- Tools available in Electronic Spreadsheets.
- Functions available in Electronic Spreadsheets.
  - Mathematical Functions.
  - Statistical Operations.
  - Calendar functions.
  - Text Functions.
  - Logical Functions.
  - Financial Functions.
  - Database Functions.
- Importance of Electronic Spreadsheets in the Banking Industry.

#### **7.11. Data Base Management Systems**

- Definition of a Database.
- Introduction to Database Management.
- Comparison of Flat Files and Database Systems.
- Database Objects:
  - Tables.
  - Queries.
  - Forms.
  - Reports.
  - Macros.
  - Modules.
- The Impact of Database Management Systems in Banking Industry.

#### **7.12. Other Application Software**

- Presentation/Graphics Packages (e.g. MS – Power Point).
- Desktop Publishing Software (e.g. MS – Publisher).
- Organizing Software (e.g. MS – Project).
- Multimedia Software.
- Accounting Packages(e.g. Tally).

- The Impact of these Software on Banking Industry Operations.

### **7.13. Information Systems in Banking Industry**

- Human Resources Management Information Systems.
- General Ledger Information Systems.
- Fixed Register Information Systems.
- Inventory Control Information Systems.
- Financial Information Systems.
- Marketing Information Systems.
- Accounting Information Systems.

### **Examination Structure**

**Time Allowed:** Three hours.

**Examination Format:** The paper consists of seven (7) questions and candidates should attempt any five (5). Each question carries 20 marks.

### **Required Reading:**

U. O. L. Mbamba, **Information Technology**, 2<sup>nd</sup> Edition, (Forthcoming).

U. O. L. Mbamba, **Information Technology**, TIOB (2004).

### **Recommended Reading;**

1. BPP: **Information Technology Study Text** (BPP Publishing).
2. Phil, F. (1996) **Management of Information Technology** CIB: London.

**CERTIFIED PROFESSIONAL BANKING**

## CERTIFIED PROFESSIONAL BANKING (CPB)

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### **Entry Requirements for the Certified Professional Banking**

Holder of any of the following qualifications may proceed directly to the Certified Professional Banking examinations:

- (i) Either TIOB/CIB Banking Certificate or Banking Certificate from any other recognized Institute of Bankers.
- (ii) or CPA (T) -NBAA
- (iii) or CSPS - NBMM
- (iv) or Advanced Diploma/ 1<sup>st</sup> degree holder from a recognized university.

## **CERTIFIED PROFESSIONAL BANKING**

There are 8 subjects in the Certified Professional Banking. Candidates must pass all eight subjects to qualify for the award of the Certified Professional Banker.

### **1.0 Financial Analysis**

#### **Learning Objectives:**

At the end of the subject coverage learners should be able to:

- (i) Describe financial reporting framework and standards;
- (ii) Prepare company accounts including consolidated financial statements;
- (iii) Analyze financial statements and appraise capital investments;
- (iv) Describe the effects of taxation, liquidation and company administration and governance on bank investments.

#### **Syllabus Contents:**

##### **1.1 An overview of Framework for the Preparation and Presentation of Financial Statements.**

- 1.1.1 Distinction between financial accounting, management accounting and cost accounting.
- 1.1.2 Underlying assumptions in the preparation of general purpose financial statements.
- 1.1.3 Users and their financial information needs.
- 1.1.4 Qualitative characteristics of general purpose financial statements.
- 1.1.5 Preparation of general purpose Financial Statements.

##### **1.2 Financial Reporting Standards.**

- 1.2.1 The Need and Objectives of Financial Reporting Standards.
- 1.2.2 Development of Financial Reporting Standards in Tanzania.
- 1.2.3 International Financial Reporting Standards, emphasis on:
  - IAS 1: Presentation of Financial Statements.
  - IAS 2: Cash Flow Statements.
  - IAS 16: Property, Plant and Equipment.
  - IAS 36: Impairment of Assets.
  - IAS 40: Investment Property.
  - IAS 17: Leases.
  - IFRS 5: Non current assets held for sale.
  - IAS 18: Revenue.



### **1.3 Partnership Accounts.**

- 1.3.1 Admission and Retirement of a Partner.
- 1.3.2 Preparation of Partnership Financial Statements.
- 1.3.3 Dissolution of a Partnership Firm.
- 1.3.4 Conversion of a Partnership into a Limited Liability Company.

### **1.4 Company Accounts.**

- 1.4.1 Formation of Companies.
- 1.4.2 Recording of Issue and Forfeiture of Shares.
- 1.4.3 Redemption of Shares.
- 1.4.4 Issue and Redemption of Debentures.
- 1.4.5 Preparation of Company Accounts.

### **1.5 Consolidated Financial Statements.**

- 1.5.1 Accounting for Business Combinations (excluding Reverse Combination).
- 1.5.2 Treatment of Pre- and Post- Acquisition Profits.
- 1.5.3 Accounting for Goodwill arising on Business Combination.
- 1.5.4 Accounting for Associates and Joint Ventures.
- 1.5.5 Preparation of Consolidated Financial Statements (excluding consolidated cash flow statement, consolidation of foreign operations and consolidation involving more than two subsidiaries).

### **1.6 Analysis of Financial Statements**

- 1.6.1 Objectives of Analysis Financial Statements.
- 1.6.2 Computation and analysis of various accounting Ratios.
  - Liquidity Ratios.
  - Profitability Ratios.
  - Activity or Performance Ratios.
  - Gearing Ratios.
  - Valuation and growth ratios.
- 1.6.3 Limitations of ratio analysis.
- 1.6.4 Common Size Analysis.
- 1.6.5 Trend Analysis.

### **1.7 Budgeting**

- 1.7.1 Budgeting and budgetary control.
- 1.7.2 Characteristics of budgets.
- 1.7.3 Steps in budget preparation.
- 1.7.4 Cash budgeting.
- 1.7.5 External financing model.
- 1.7.6 Budgeted financial statements.

## **1.8 Capital Investment Appraisal (Excluding Capital Rationing and Capital Budgeting under Uncertainty).**

1.8.1 Meaning of Capital Investment.

1.8.2 Need for Investment Analysis.

1.8.3 Techniques of Capital Investment Appraisal.

- Payback Period Methods.
- Internal Rate of Return (IRR) Method.
- Net Present Value (NPV) Method.
- Accounting Rate of Return (ARR) Method.
- Adjusted Present Value (APV) Method.

1.8.4 Non-financial Considerations in Investment Decisions.

## **1.9 Valuation of Assets**

1.9.1 Factors to be considered in Valuation: (e.g. size, Past History, Status, Industry Classification, Government Attitude, Liquidity).

1.9.2 Types of Financial Assets (excluding derivatives): Ordinary Shares, Preference Shares and Debentures.

1.9.3 Methods of Valuing Equity.

- Asset Based Methods.
- Earnings Based Methods.
- Cash Flow or Dividend Based Methods.

1.9.4 Valuation of Preference Shares and Debentures.

## **1.10 Business Administration – Capital Reduction, Reorganisation and Reconstruction of Companies.**

1.10.1 Reasons for Business Administration.

1.10.2 Objectives of Business Administration.

1.10.3 Legal Requirements.

1.10.4 Methods of Business Administration.

- Cost Reduction Schemes.
- Capital reduction Schemes.
- Company Reorganisation.
- Capital Reconstruction.

## **1.11 Receivership, Bankruptcy and Liquidation.**

1.11.1 Circumstances that lead to Receivership, Bankruptcy and Liquidation.

1.11.2 Receivership Procedures.

1.11.3 Ranking of Claims in Bankruptcy and in Liquidation.

1.11.4 Contributories in Liquidation.

## 1.12 Management Accounting

- 1.12.1 Classification of Costs and Analysis.
- 1.12.2 Costing Methods: Marginal and Full Costing.
- 1.12.3 Cost Volume – Profit Analysis and Margin of Safety.
- 1.12.4 Limiting Factors.

## 1.13 Taxation

- 1.13.1 Introduction to Taxation.
- 1.13.2 Tax Administration and Structure in Tanzania.
- 1.13.3 Taxation of Corporate Income.
- 1.13.4 Value Added Tax.

## 1.14 Corporate Governance

- 1.14.1 Meaning and Importance of Corporate Governance.
- 1.14.2 Components of Good Corporate Governance.
- 1.14.3 Corporate governance around the world.
- 1.14.4 Corporate governance in Tanzania.

## Examination Structure

1. The question paper has five (5) questions in three (3) sections and candidates are required to attempt four (4) questions as follows:
  - Section A** : One question. The question is compulsory.
  - Section B** : Two questions. Candidates should answer one question.
  - Section C** : Three questions. Candidates should answer 2 questions.
2. The marks for each question are indicated after the question.
3. The total marks for the whole examination is 100.
4. The time allowed for the examination is three hours excluding 15 minutes reading time.

## Required Reading:

1. Mbelwa S. R. Muhandeni: **Financial Analysis**, TIOB (2010).

## Recommended Readings

1. Bakar R. Bakar, **International Finance (Second edition)**, 2009; Thrust Publication, Dar es Salaam.
2. Alexander & Britton (2001): **Financial Reporting**, Int. Thomson Business Press.
3. Companies Act 2002; Government Printer.
4. Kilagane, Yona S. M. (2006): **Financial Accounting for Professional Students, Vol 1 & 2**; NBAA, Dar es Salaam.
5. IASB, (2009), International Financial Reporting Standards, London.
6. URT, 2004, Income Tax Act, Government Printers.

7. URT, 2006, Value Added Tax, Government Printers.
8. Barry Elliot and Jamie Elliot, 2008, Financial Accounting and Reporting, Prentice hall, 12 edition.

**Range of Local and International Accounting and Banking Journals like:**

- The Accountant.
- Professional Accountant.
- The IFM Journal of Financial Management.
- The Tanzanian Bankers Journal.
- Business Management Review.
- CIB News.
- Comesa Banking.

## 2.0 Law Relating to Banking

### Learning Objectives:

At the end of the subject coverage learners should be able to:

- Make sound business decisions based on their understanding of the legal principles.
- Apply various concepts studied in this course to their day to day banking operations.

### Syllabus Contents

#### 2.1 Banker – Customer Relationship

- Definition of Banker.
- Definition of Customer.
- Nature of Banker – Customer Relationship:
  - General Relationship.
  - Special Relationship.
- Implied Terms in the contract between Banker and Customer:
  - Banker's obligations.
  - Customer's obligations.
  - Banker's rights over customer's deposits.
- Termination of a banker customer relationship.

#### 2.2 Banking Services and Types of Customers

- Definition of Banking Services.
- Types of Banking Services:
  - General Services.
  - Special Services.
- Types of Customers' Accounts:
  - Individuals.
  - Minors.
  - Sole traders' Accounts
  - Partners Accounts.
  - Joint Accounts.
  - Executors and Administrators Accounts.
  - Advocates Accounts.
  - Trustees Accounts.
  - Companies and other Corporate Organisations.
  - Receivers and Debenture Holders.
  - Liquidators.
  - Clubs and other unincorporated groups.

- Societies.
- Non-Account Customers.
- Duration and determination of accounts:
  - How to terminate the relationship.
  - Obligations when terminating various types of accounts.
  - Insolvency, bankruptcy and winding up.

### **2.3 Lending and Securities**

- Banker as Credit Provider.
- Need for Security.
- Types of Security and Attributes of Good Security:
  - Land as security (legal and equitable mortgages).
  - Guarantees.
  - Debentures.
  - Life Assurance Policies.
  - Other types of Securities.
- Taking and Perfection of Securities.
- Realization of Securities (Pledge, shares and stock).
- Problems Associated with Realization of Securities.

### **2.4 Negotiable Instruments**

- Nature and Definition of Negotiable Instrument.
- The Concept of Negotiability and its Importance in Banking Law.
- Types of Negotiable Instruments:
  - Promissory notes.
  - Bills of exchange.
  - Cheques (other than those crossed 'not negotiable' or 'account payee').
- Non Negotiable Instruments.
  - IOU's.
  - Bank notes.
  - Banker's draft.
  - Certificate of deposits.
- Parties to a Bill.
- Holder and holder in due course.
- Liability on a Bill.
- Discharge of Liability on a Bill.
- Discharge of a Bill.
- Noting and Protesting a Bill.

## 2.5 Cheques and Other Modes of Payment

- Definition of a Cheque.
- Cheque as a Negotiable Instrument.
- Essentials of a Valid Cheque.
- Drawing of Cheques.
  - Tenor of Cheque.
  - Crossed Cheque.
  - Open Cheque.
  - Undated/Post Dated Cheque.
  - Forged cheques.
- Types of Cheques:
  - Order Cheques.
  - Bearer Cheques.
- Negotiation of Cheques:
  - Endorsements.
  - Delivery.
  - Holder and Holder in Due Course.
- Payment of Cheques:
  - Mandate on Cheque.
  - Paying Bank.
  - Collecting Bank.
  - Liability and Defenses on Wrongful Payment by Bankers.
- Lost Cheques.
- Bankers Drafts:
  - Difference between bankers drafts and Cheques.
  - Role of Bankers' Draft in Payment.
- Money Transfers:
  - Inter-Branch Transfers.
  - Inter-Bank Transfers.
- Electronic Payment and funds transfers:
  - Automated Teller Machines (ATMs).
  - Money gram.
  - Western Union Money Transfer.
  - Telegraphic Transfer (TT).
  - Cellphone Transfers.
  - SWIFT
  - BACS
  - CHAPS
- Legal Implications of Electronic Fund Transfer:
  - The legal nature of funds transfer - instruction.
  - Agency relationship.

- Countermand.
- Recovery of incorrect payments.
- Confidentiality and data protection.

## **2.6 Frauds and Forgery.**

- Meaning of Fraud and Forgery.
- Types of Fraud and Forgery.
- Fraud in Financial Sector including Computer Fraud.
- Effect of Forgery of signatures on Instruments.
- Protection of a banker paying a forged instrument.
- The role of the criminal law (Police).

## **2.7 Insolvency**

- Meaning of Insolvency.
- Insolvency of Customer:
  - Individual.
  - Corporate.
- Insolvency and Bankruptcy Distinguished.
- Effect of Bankruptcy on the Banker – Customer Relationship.
- Effect of Receivership on the Banker – Customer Relationship.
- Bankruptcy of Guarantor where Bank is Creditor.
- Position of Partnership Account where a Partner becomes bankrupt.
- Discharge of Bankrupts.

## **2.8 Regulation of the Financial Systems in Tanzania**

- The Need to Regulate Financial Systems:
  - The Role of the Bank of Tanzania.
  - The Role of Professional bodies e.g. TIOB.
  - Public Censorship (Mass Media).
- The Regulation of Non-Banking Institutions:
  - The Role of Bank of Tanzania.
  - Regulation through Sectoral Legislation.

## **2.9 Money Laundering**

- Meaning of money laundering.
- Methods of Money Laundering.
- Legal control of money laundering.
- The Role of Banks in Fighting money laundering.

## **2.10 Ethics and Professionalism**

- Banking as a Profession.
- Ethics in the Banking Profession.



- The Rights of Customers.
- The Rights of Shareholders/Investors.
- The Corporate Responsibilities of a Bank.
- Best Practices in Banking.

### **Examination Structure**

**Time Allowed:** Three Hours.

**Examination Format:** The paper consists of six (6) questions. Each question covers a different topic of the syllabus. Candidates are required to answer any four questions.

### **Required Reading**

J. M. Itemba, **Law Relating to Banking, TIOB (2003).**

J. M. Itemba, **Law Relating to Banking, 2<sup>nd</sup> edition (2010).**

### **Recommended Readings**

#### **Books:**

1. CIB Study Text, **Law Relating to Banking Services**, BPP Publishing Ltd, London, 1993.
2. Paul Raby, **Law Relating to Banking Services**, 2<sup>nd</sup> ed Pitman Publishing, London, 1992.

#### **Local Statutes**

1. Law of Contract Act Cap. 433 RE 2002
2. Bill of Exchange Act, RE 2002.
3. Companies Act, Cap 212 RE 2002.
4. The Cheques Act, 1969
5. Penal Code, Cap. 16 RE 2002.
6. Economic and Organized Crimes Act, 1981.
7. Bank of Tanzania Act, 2006.
8. The Anti Money Laundering Act, 2006.
9. The Banking and Financial Institutions Act, 2006.
10. Land Act, Cap 113, RE 2002.
11. Land Registration Act Cap. 334 RE 2002.
12. Registration of Documents Act Cap. 117, RE 2002.
13. Land Regulations 1948.
14. Bankruptcy Act Cap. 25 RE 2002.
15. The Public Corporations Act.
16. Mortgages Financing (Special Provisions) Act, 2008, No. 17 of 2008.
17. Chattels Transfer Act, Cap 210 RE 2002.

### 3.0 Management Practice

#### Learning Objectives:

At the end of the subject coverage learners should be able to:

- Explain the development of management thoughts from pre-industrialization period to date.
- Explain the roles, functions and processes of management in the context of financial services.
- Apply the management concepts, theories and models in everyday management work.

#### Syllabus Contents

##### 3.1 Introduction to Management

- Perspectives on Management
  - Management as a process.
  - Management as shareholder value creation.
  - Management as an Art and Science.
  - Management as a Group of People.
- Objectives/Importance of Management.
- Roles of Management.

##### 3.2 Theories of Management

- Factors Influencing the Need for Management Theory.
- Differences between Various Managerial Approaches.
- The Classical or Traditional Theories of Management.
  - Scientific and Administrative Management.
  - Principles of Management.
  - The Bureaucratic Model.
- The Human Relations School.
- The Systems Approach.
- Contingency or Situational Approach.
- The Modern Management Theories.
- The Prahalad Era (1990's to date).

##### 3.3 The Manager

- Definition.
- The Functions of a Manager (POSDCORB).
  - Traditional/Classical View.
- The Roles of the Manager.
  - Alternative Views.
- The Position of the Manager with his Subordinates.
- Managerial Roles and Managerial Positions.

- Managerial Hierarchy.
- Horizontal Division of Labour.
- Basic Managerial Skills.

### **3.4 The Business Environment**

- The meaning of Business.
- The Business Mission.
- The Relationship between the Firm and its Environment.
- SWOT Analysis and Competitive Analysis.
- Organizational Strategy.
- The Social Responsibility of Business to Different Social Groups.

### **3.5 Organization Design and Culture**

- The Meaning of Organization.
- Organization as an Institution.
- Organization as a Process.
- Organization as a Structure.
- Types of Organization Structure.
- Span of Control and Unity of Command.
- Organization (Corporate) Culture; its key features and indicators.

### **3.6 Planning and Controlling**

- Planning as a Managerial Function
- The Need for Planning.
- The Main Characteristics of Planning.
- Principles of Planning.
- Barriers to Sound Planning.
- Types and Functions of Plans.
- The Hierarchy of Planning.
- The Process of Planning.
- Importance of Planning.
- Controlling as a Managerial Function.
- Managerial Control Support Systems.
- Managerial Control Techniques.
- Importance of Controlling.
- The link between Planning and Controlling.

### **3.7 Corporate Objectives**

- Objectives Defined.
- Importance of Corporate Objectives.
- Quantitative and Qualitative Objectives.

- General Banking Objectives.
- Characteristics of Well Defined Objectives.
- Management by objectives (MbO).
- How to Establish MbO as a Managerial System.
- How MbO Influences Managerial Effectiveness.

### **3.8 Leadership**

- Leadership Defined.
- Leadership Behaviour.
- Theories of Leadership.
- Behavioural Styles in Path-goal Theory.
- Managerial Grid.
- Leadership Styles.
- Theory X and Theory Y.
- Functional Approach.
- Leadership Skills.
- Situational Leadership.
- Leaders Vs. Managers.
- Leadership Challenges in Africa.

### **3.9 Delegation**

- The Meaning of Delegation.
- The Functions of Delegation.
- How to Carry out an Effective Delegation.
- Responsibilities that Cannot be Delegated.
- What is Considered as Bad Delegation.
- Attitudes Towards Delegation.
- Importance of Delegation.

### **3.10 Communication in Organizations.**

- The Meaning and Objectives of Communication.
- How Communication Promotes Managerial Functions.
- The Process of Communication.
- Formal Communication.
- Modes of Formal Communication.
- Informal Communication.
- Active Listening.
- Barriers to Effective Communication.
- Towards Effective Communication.
- Feedback and its importance.

### **3.11 Motivation.**

- The Concept of Motivation.
- Classical Approaches to Motivation.
- Human Relations Approaches to Motivation.
- The Content Theories of Motivation.
- Maslow's Hierarchy of Needs.
- McClelland's Achievement Motivation.
- Herzberg's Two-Factor Theory.
- The Process Theories of Motivation.
- Expectancy Theory.
- Strategies Towards Effective Employee Motivation.

### **3.12 Decision Making and Problem Solving.**

- The Meaning and Classification of Decisions.
- The Environment in Which Decisions are Made.
- How to Make Decisions Under Conditions of Uncertainty.
- Approaches to Decision Making.
- How to Overcome Decision Errors.

### **3.13 Stress and Time Management**

- Definition of Stress.
- Sources, Types (distress, stress and distress and Importance of Stress.
- The Effects of Stress.
- Stress Coping Strategies/De-stressing.
- Time Management.
- Principles of Time Management.

### **3.14 Managing Organizational Change and Development**

- Organizational Change Defined.
- Ecological View Point of Organizations.
- The Forces of Change.
- Managerial Responses to the Pressures of Change.
- Organizational Change Systems.
- Approaches to Organizational Change.
- How to Manage Planned Change.

### **3.15 Job Design, Job Analysis and Job Evaluation**

- Background of Job Design.
- Factors Influencing Job Design.
- Approaches to Job Design.

- The Process and Principles of Job Design.
- Job Analysis and its Objectives.
- The Practical Uses of Job Analysis.
- Approaches to Job Analysis.
- The Essence and Process of Evaluation.
- Approaches of Job Evaluation.

### **3.16 Human Resources Management**

- Introduction.
- The Traditional Role of Personnel Management.
- The Nature and Philosophy of Human Resource Management.
- The Aims and Characteristics of HRM.
- Integration of HRM with Business Strategy.
- Developing an HR Strategy.
- Roles and Responsibilities within HRM.
- The Changing Nature of the Employment Relationship.

### **3.17 Human Resource Planning**

- The Meaning and Importance of Human resource Planning.
- The Process of Human Resource Planning.
- Human Resource Plan Implementation.
- Personnel Costs.

### **3.18 Recruitment and Selection**

- The Meaning of Recruitment and Selection.
- The Process of Recruitment.
- Defining and Identifying Organizational Requirements.
- Attracting and Selecting the Right Candidates.
- The Role of Personnel Management in the Selection Process.
- Final Selection and Induction.

### **3.19 Performance Management**

- Introduction.
- Definition of Performance Management.
- Performance Appraisal Systems.
- The Appraiser and the Appraisee.
- Traditional Approaches to Performance Appraisal.
- Criticism of the Traditional Approaches.
- Result-Oriented Appraisal.

### **3.20 Career Management**

- The Meaning of Career.
- Career Management.
- Career Management and Development Programme.
- Individual Career Planning.
- Career management Policies.
- Reward Management.

### **3.21 Training and Development**

- Education, Training and Development.
- Meaning and Objectives of Training.
- The Training Cycle.
- Types and Methods of Training.
- Assessment of the Output of Training.
- Meaning and Importance of Management Development.

### **3.22 Group and Team Development**

- Meaning and Characteristics of a Group.
- Types of Groups.
- Group Formation and Development.
- Importance and Functions of Groups.
- Effective Group Performance.
- Task Forces and Committees.

### **3.23 Conflict Management, Grievance and Disciplinary Procedures**

- Definitions of Conflict and Grievance.
- Traditional and Modern View Points on Conflict.
- Types of Conflict.
- The Functional and Dysfunctional Effects of Conflict.
- Strategies Towards Managing Conflict.
- Ways to Avoid Conflict.
- Grievance Handling procedure.
- Disciplinary Procedure.

### **3.24 Quality Management**

- Meaning of Quality Management.
- Factors Influencing the Absence of Quality in Banks.
- Stages Towards Improving Quality.
- Organizational Involvement in Quality Improvement.
- Factors Influencing Success in Total Quality Approach.

- Techniques for Measuring Quality.
- Advantages of Quality Service.
- How to Create a Quality Organization.

### 3.25 Information Systems

- Meaning of Information System.
- Management Information Systems (MIS).
- Characteristics of MIS.
- The Role of MIS in Organizations.
- Measuring the Quality of an Effective MIS.
- The Effects of Poor MIS on Management.
- Information Communication Technology (ICT).
- Budgetary Control Systems.

#### Examination Structure

**Time Allowed:** Three hours

**Examination Format:** The paper has six questions divided into 3 sections. Attempt four questions, at least one question from each section.

**Section A:** 2 questions on current issues of interest to management

**Section B:** 2 questions on organisation systems, people or individual

**Section C:** 2 questions which relates theory to practice.

All questions carry equal marks i.e. 25 marks.

#### Required Reading

1. E. J. Matiku, **Management Practice**, TIOB (forthcoming).
2. E. J. Matiku, **Management and Organisation**, TIOB 2004.

#### Recommended Readings

1. I Whyte & J Plenderleith, **Management in Banking** (CIB/Bankers Books).
2. H Coult, **Management in Banking** (Pitman).
3. **CIB Associateship Study Guide: Core Subjects** (CIB/Bankers Books).



## 4.0 The Monetary and Financial System

### Learning Objectives

On successful completion of this course a candidate should be able to:

- Describe the general roles and activities of financial systems and monetary systems.
- Explain the role of money in the economy.
- Analyze the effects of change in Money demand and supply on economic variables.
- Analyze the major factors influencing the determination of interest rates and the pricing of financial assets.
- Analyze the effects of different exchange rate regimes.
- Explain the functions of the major derivative instruments in managing financial risk.
- Critically analyze the rationale for financial intermediation and disintermediation and evaluate the impact these have on financial institutions.
- Discuss and critically evaluate issues relating to the domestic and international regulatory environment in which financial institutions operate.
- Explain and evaluate major forms of economic policies and their effect on financial and monetary systems.

### Syllabus Contents

#### 4.1 Money and liquidity

##### Money.

- Definition.
- Types of Money.
- Essential Characteristics of Money.
- Functions of Money.

##### Liquidity.

- Definition.
- Money as a Liquid Asset.
- Money and Near Money.

#### 4.2 Money demand and supply

- The Concept of Money demand and Supply.
- Determinants of Money Supply and Money demanded.
- Money Creation by Commercial Banks.
- Limitations of Credit Creation by Commercial Banks.
- Government Budget Surplus or Deficit and Money Supply.
- Measures of Money Supply in Tanzania.
- Foreign Exchange Rate Intervention and Money Supply.

- Money in Equilibrium.
  - IS-LM framework.
  - AD – AS framework.

#### **4.3 Inflation and value of money**

- The Meaning of Inflation.
- Types of Inflation.
- Causes and Effects of Inflation.
- Measurement of Inflation.
- The relationship between Inflation and Value for Money.
- Inflation Indexation.

#### **4.4 Financial intermediation**

- Definition of Financial Intermediation and Disintermediation.
- Nature of Intermediation and Disintermediation.
- Theories of financial Intermediation.
- Characteristics of financial Intermediation.
- The Process of Financial Intermediation.
- Intermediation Services.

#### **4.5 Financial institutions**

- Definition of Financial Institutions.
- Classification of Financial Institutions.
- Central Bank.
  - Definition and Functions.
  - Functions of the Bank of Tanzania.
- Commercial Banks.
  - Definition and Functions of Commercial Banks.
- Non-bank Financial Intermediaries.
- Specialised Financial Institutions.

#### **4.6 Financial markets**

- Definition of Financial Markets.
- Nature and Functions of Financial Markets.
- Types of Financial Markets.
- Financial market instruments and pricing.
- Market efficiency.
- Nature and pricing of risks in financial markets.
- Regulation and supervision of financial markets.

#### **4.7 Interest rates**

- Definition of Interest Rate.
- Functions of Interest Rates.
- Determination of Interest rate.
- The Determinants of the General Pattern of Interest Rates on Different Types of Deposits/Loans/Financial Instruments, including the Term Structure of Interest rates.
- Distinction between 'real' and 'nominal' interest rates.
- The relationship between domestic, international and Eurocurrency interest rates.
- Interest Rate Risk and Hedging against Risk.
- The term structure of interest rate and the yield curve.
- Computation of current yield and yield to maturity.
- Factors which affect the yield spread between two bonds.

#### **4.8 Corporate sector finances**

- Essential principles of Corporate Sector Finances.
- The Corporate Sector Balance Sheet.
- Sources and Uses of Funds for the Corporate Sector.
- Corporate financing instruments.
  - Short-term finance techniques.
  - Long – term finance techniques.
- The Importance of Corporate Capital Structure and the Role of Equity Finance.

#### **4.9 Corporate sector risk management**

- The Nature and Significance of Interest Rate Risk for Borrowers and Lenders.
- The Nature and Significance of Foreign Exchange Risk for Companies.
- The Hedging techniques for Interest Rate Risk and Foreign Exchange Rate Risk.

#### **4.10 Personal sector finances and the housing Market**

- The Personal Sector Balance Sheet.
- Sources and Uses of Funds for the Personal Sector.
- The Financial Risks Faced by the Personal Sector.
- The Nature of the East African Housing Market and the Determination of House Prices.
- The Main Types of Mortgage Loan and the Associated Types of Interest Payments.
- The Nature of Housing Finance in East Africa.

- Relationship between Banks, capital markets and housing finance.

#### **4.11 Exchange rates**

- Definition of Exchange Rate.
- Foreign Exchange Market.
- Functions of Foreign Exchange Market.
  - Money Transfer Function, Credit Function and Provision for Hedging Facilities.
- Determinants of Exchange Rates Movements.
  - Long-Term and Short-Term Movements.
- Exchange rate Regimes.
  - Fixed Exchange Rate System.
  - Flexible Exchange Rate System.
  - Band Exchange Rate Regime.
  - Dual/Multiple Exchange Rate Regime.
- Exchange Rate Risk.
- Relationship between Interest Rates and Exchange Rates.
- The linkage between exchange rate, capital and current (trade) flows.

#### **4.12 Regulation and supervision of banks**

- The Meaning of Regulation and Supervision.
- Who is a Regulator/Supervisor?
- Need for Regulation and Supervision.
- Supervisory Methodologies.
  - Licensing of Banks and Financial Institutions.
  - Capital Adequacy.
  - Credit Risk Management.
  - Internal Controls.
  - Disclosure Requirements.
  - Liquidity and Profitability.
  - Foreign Currency Exposure.
- Basle Committee Core Principles for effective banking supervision.
  - Licensing and Structure.
  - Prudential Regulation and Requirements.
  - Information Requirements.
- Bank Regulation and Supervision in Tanzania.
  - Bank of Tanzania Act, 2006.
  - Banking and Financial Institutions Act, 2006.

#### **4.13 Economic policy**

- Meaning of Economic Policy.

- Distinction Between Micro-economic Policy and Macro-economic Policy.
- Objectives of Macro-economic Policy.
- Major Forms of Economic Policy.
  - Monetary Policy.
  - Fiscal Policy.
  - Exchange Rate Policy.
  - Income and Price Policy.
  - Debt Management Policy.
- Macro economic context of Monetary Policy.
  - Types of Monetary policy.
  - Objective of Monetary Policy.
  - Instruments used.
  - Strength and weakness of Monetary policy.
  - Monetary policy in the Tanzanian context.
- Macro economic context of Fiscal Policy.
  - Types of Fiscal policy.
  - Objective of Fiscal Policy.
  - Instruments used.
  - Strength and weakness of Fiscal policy.
  - Fiscal policy in the Tanzanian context.

#### **4.14 Balance of Payments**

- Definition of Balance of Payments.
- Structure of Balance of Payments.
  - Current Account, Capital Account and a Balancing Item.
- Equilibrium in the Balance of Payment.
- Economic Significance of the Balance of Payments.
  - Deficit and Surplus in the Current Account.
- Correcting an Imbalance in the Balance of Payment.
  - Correcting a Current Account Imbalance.
  - Capital Account Imbalance.

#### **4.15 International Capital Movements and international Financial system**

- Private capital flows.
  - Types of private capital flows.
  - Determinants of private capital flows.
  - Impact of private capital flows on the banking sector and the economy.
- International Financial system and institutions.

## **Examination Structure**

**Time Allowed:** Three (3) hours.

**Examination Format:** The paper consists of SIX questions, of which candidates are required to answer two compulsory questions from section A (50%) and any two questions from Section B (50%). Each question carries 25 marks.

## **Required Reading**

1. N. J. Kessy and H. Kazungu, **The Monetary and Financial System**, 2<sup>nd</sup> Edition TIOB (2010) forthcoming.
2. N. J. Kessy, **The Monetary and Financial System**, TIOB (2003).
3. CIB (1991) **The Monetary and Financial System**.

## **Recommended Readings**

1. David Goacher (1999) – **The Monetary and Financial System**.
2. Fredric S. Mishkin (2007) – **The Economics of Money, Banking and Financial Markets**.
3. Beecham B. J. (1994) – **The Monetary and Financial System**.

## 5.0 Strategic Marketing Management

### Learning Objectives

This course is designed to enable target learners to achieve the following objectives:

- To learn and understand concepts, processes, methods, models, approaches and activities involved in strategic marketing management.
- To understand how strategic marketing management principles, concepts, theories and techniques are applied to create customer value in the banking and financial services organizations.
- To develop a strategic thinking and ability to identify and develop strategies for coping with the changing external and internal environments of the banking and financial services organizations.
- To appreciate the strategic role of marketing in determining the organization's competitiveness in the marketplace as well as the joint satisfaction of customer needs and corporate objectives.

### Syllabus Contents

#### 5.1 Introduction to Marketing Theory

- Definition and Concept of Marketing.
- Marketing as Demand Management.
- Marketing Orientations Towards the Marketplace.
- Characteristics and Marketing Challenges of Financial Services.
- Types of Financial Services Provided by Banking Organizations.
- Impact of Computer and Information Technology on the Marketing of Financial Services.
- The Meaning and Scope of Strategic Marketing Management.

#### 5.2 Marketing Environment of Financial Services Organisations

- The nature and importance of marketing environment to financial services;
- The microenvironment and macroenvironment components of the marketing environment.
- Analysis of the firm's microenvironment, i.e. Internal and Task environmental forces and macroenvironment, i.e. Political-Legal, economic, social, technological and competitive environments.
- Current environmental trends and their impact on the market place and marketing practice.

#### 5.3 Strategic Planning Process

- Meaning of Strategic planning; Corporate, division and strategic planning.

- Strategic Planning versus Operational Planning.
- The Importance and Benefits of Planning to Banking Organisations.
- The Corporate Strategic Planning Process (Defining the Corporate Mission, Establishing Strategic Business Units (SBU), Planning New Businesses, and Downsizing Older Businesses).
- The Business Strategic Planning Process (Defining the Business Mission and Objectives; Situation Analysis; SWOT Analysis; Strategy and Programme Formulation, Implementation, Control and Evaluation of Strategic Plan);
- Strategic Planning Tools: Strategic Business Units, Gap Analysis, Boston Consulting Group (BCG) Matrix, Ansoff's Product/Market Matrix.
- Determinants of Success and Failure of Strategic Planning in Banking.

#### **5.4 Strategic Marketing Planning and Management**

- The meaning and Scope of Marketing Planning and its Relationship with Strategic/Corporate Planning.
- The Marketing Planning Process: Marketing Audit, Setting Marketing Objectives; Target Market Selection and Positioning; Developing the Marketing Mix; Formulation of Marketing Programme; Implementation and Control of a Marketing Plan.
- Marketing Audit: meaning, characteristics and components of the marketing audit.
- Tools for strategic analysis and Developing Marketing Strategies: Porter's Generic Strategy Model; Ansoff's Product/Market Expansion Model.
- Components and Purposes of the Marketing Plan.
- Organisation of Marketing Departments.

#### **5.5 Market Segmentation, Targeting and Positioning**

- Meaning and Benefits of Market Segmentation.
- Market Segmentation approaches /methods.
- Target Market Selection and Positioning Approaches and Strategies.

#### **5.6 Marketing Information and Research Systems**

- Meaning, Roles, Importance and Components of a Marketing Information System.
- Definition, Uses, Role, Types and Areas of Marketing Research.
- The Marketing Research Process.



## **5.7 Consumer and Organizational Buying Behaviour**

### **○ Consumer Buying Behaviour**

- Meaning and Importance of Understanding Consumer Buying Behaviour.
- Influences on consumer buying behaviour.
- Types of Consumer Decision Making Behaviour.
- The Consumer Buying Process.
- Consumer Behaviour and Diffusion of Innovation.

### **○ Organizational Buying Behaviour**

- Differences Between Organizational and Individual Buying Behaviour.
- Major Influences on Organizational Buying Behaviour.
- Buying Roles in the Organizational Buying.
- Stages in the Organizational Buying Process.

## **5.8 The Marketing Mix**

- The Marketing Mix Concept and its Use, Role and Importance in the organisation.
- The Traditional Marketing Mix (the 4Ps) and Expanded Marketing Mix (the 7 Ps).
- Analysis of the Elements of the Financial Services Marketing Mix and how they are Interrelated.
- Prerequisites of a Successful Marketing Mix – the Strategic, Planning and Tactical Elements.
- Extent of Branch Influence over the Firm's Marketing Mix.

## **5.9 Product Strategy**

- Meaning and Importance of Product in the Marketing Mix.
- Nature and Types of Banking Products.
- Product Levels and Product Hierarchy, Product Mix Strategies and Influences on Product Strategy.
- Product Brands and the Importance of Branding in the Financial Services.
- New Product Development – Meaning of New Products, Reasons for New Product Development, New Product Development Process and Strategies, New Product Management, Reasons for New Product Failures
- The Product Life Cycle, Including Definition, Stages, Use, and Strategies.
- Product Portfolio Analysis and Planning; Use of PLC and the Boston Consulting Group (BCG) Matrix in Portfolio Analysis and Planning.

### **5.10 Pricing Strategy**

- Meaning, Role and Importance of Pricing in the Marketing Mix.
- The Commercial and Strategic Importance of Pricing.
- Situations in which Pricing Decisions are Desirable to the Organisation.
- Influences on Pricing, Including Internal and External Factors.
- Pricing Strategies for New and Existing Products.
- Price changes (i.e. price cuts and increases) and Reactions to Price Changes.

### **5.11 Distribution Strategy**

- Meaning, Role and Importance of Distribution/Delivery System.
- Channels of Distribution and their Functions.
- Influences on Distribution Channel Planning and Design.
- Distribution Channels in Banking: the Branch Office, Service Delivery Facilities, etc.
- Impact of IT on Distribution in Banking, Including Emerging Technology-Driven Service Delivery Systems such as Internet (Web) and Telephone Banking; ATMs, Plastic Cards, etc.

### **5.12 Promotion Strategy**

- Meaning, Role and Objectives of Promotion.
- Promotion and the Communication Process.
- Steps in Planning Effective Marketing Communications.
- The Promotion Mix Concept, Promotion Methods: Advertising, Sales Promotion, Publicity and Public Relations, Personal Selling, and Direct Marketing.
- Internal Communications and their Importance to the Organization.

### **5.13 People in Financial Services Marketing Mix**

- Selling and Salesforce Strategy:
  - Importance and Role of People in the Financial Services Marketing Mix and Selling of Financial Services.
  - Understanding Selling (Selling Vs Marketing, Misconceptions about Selling, Types of Selling Jobs, Relationship Selling).
  - Impact of Selling on Profitability through Customer Acquisition, Customer Retention and Maximizing Return on Advertising Expenditures.
  - Characteristics of Successful Salespeople.
  - The Selling Process – An Overview of the AIDAS and Behavioural Approaches/Models to Selling.

- The Use, Merits and Demerits of the Direct Salesforce in Selling of Financial Services.
- Role of Sales Training and Product Knowledge in Selling Financial Services.
- Managing the Selling Strategy of Financial Services Organizations.

#### **5.14 Service Quality and Customer Care Strategy**

- Role of People in Customer Care and Customer Satisfaction.
- Service Quality as the Foundation of Customer Care.
- Customer Care Concepts, Including the Customer/Supplier Concept and Service/Profit Chain.
- Dimensions and Determinants of Service Quality/Customer Care.
- Achieving Improvement in Service Quality/Customer Care in the Financial Services Organizations.
- Role of Training and IT on Customer Care.
- Quality Assurance and Total Quality Management (TQM).

#### **5.15 International Marketing**

- Meaning of International Marketing.
- Reasons and Benefits that prompt Banking and Financial Services Organisations to Engage in International Marketing or to go Global.
- The International Marketing Environment – Nature and Impact of the Legal, Economic, Political, Ethical, Social, Technological, and Competitive Factors of the Global Market on a Firm's International Marketing Involvement.
- The International Marketing Planning Process; Elements of International Marketing Plan, including International Marketing Mix Elements; standardization versus adaptation of marketing mix.
- International Marketing Strategy Decisions, Including why go Global, Where to go, and how to go; Modes of Entry to Overseas Markets Available to Banking and Financial Services Organisations.

#### **5.16 Ethical Issues in Marketing**

- The Meaning of Ethics; Influences on Ethics; the Role of Ethics in Marketing.
- Differences Between Ethics and Social Responsibility, and Ethics and the law.
- Elements/Scope of Ethical Codes, Including Marketer's Responsibilities; Honesty and Fairness in Practicing the Marketing Profession; Rights and Duties of Parties in the Marketing Exchange Process; Marketer's Responsibilities in the Areas of Product

Development and Management, Promotions, Distribution, Pricing, and Organizational Relationships.

- Social Responsibility Concepts, including Profit Responsibility, Stakeholder Responsibility and Societal Responsibility.
- Some Ethical Dilemmas in Marketing, Including Product, Price, Promotion, Place (Distribution Channels), People, and Process.
- Strategies for Ethics and Social Responsibility (Proactive, Reactive, Defense, and Accommodation Strategies).

### **Examination Structure**

**Time Allowed:** Three hours.

**Examination Format:** The paper consists of six questions and candidates should attempt any four. Each question carries 25 marks.

### **Required Reading**

1. Gamba, S. K., **Strategic Marketing Management, 2<sup>nd</sup> Edition**, TIOB (2010).
2. Gamba, S. K., **Strategic Marketing Management**, TIOB (2003).

### **Recommended Readings**

1. BPP: **Marketing of Financial Services**, CIB Associateship Study Text. London, (1993).
2. BPP; **Strategic Marketing Management**, CIB Bankers Workbook Series. London (1996).
3. Cowdell, J. and Farrance, C. C., **Marketing of Financial Services**, CIB Bankers Workbook Series. London, (1993).
4. Pezullo, A. M., **Marketing for Bankers**. American Bankers Association (1993).
5. Willson, M. S., Gilligan, C. and Pearson, D. J., **Implementation and Control**. Butterworth/Heinemann. Oxford (1992).

## 6.0 International Trade Finance

### Learning Objectives:

At the end of the subject coverage learners should be able to:

- Explain the ways in which international trade is undertaken, settled and financed;
- Identify the types of customers engaged in international trade and their needs;
- Explain the features and benefits of services provided by banks and other financial institutions in facilitating international trade;
- Explain international payment systems and regulations that are in place and the procedures adopted.

### Syllabus Contents

#### 6.1 Introduction to International Trade Finance

- The meaning of international trade.
- Major parties in international trade.
- Reasons for international trade.
- Advantages of international trade.
- International trade barriers.
- The role of banks and financial institutions in international trade.

#### 6.2 The Foreign Exchange Market

- The meaning of foreign exchange market.
- Participants in the foreign exchange market.
- Functions of foreign exchange market.
- The mechanism of foreign exchange transfer.
- Relationship between foreign exchange market and money market.
- Systems and procedures for interbank foreign exchange trading.

#### 6.3 Exchange Rates

- Definition of exchange rate.
- Spot exchange rate.
- Forward exchange rate.
  - Premium, Discount and Par.
  - Adjusting the spot rate.
- Direct quotation and forward rates.
- Indirect quotation and forward rates.
- Factors that influence changes of foreign exchange rates.
  - Medium, long-term movements.
  - Short term movements.

#### **6.4 Methods of Trading and Trade Promotions**

- Methods of conducting international trade:
  - Direct trade,
  - Indirect trade,
  - Export services,
  - Counter trade (in general terms only).
- Trade promotion services
  - Identification of trade opportunities
  - Management of assets and liabilities
  - Bank advisory services on foreign trade.
  - Overseas representation services including agents and distributors, international franchising and licensing, letters of introduction, status reports and economic conditions reports.
- The role of other international trade agencies such as:
  - Business Membership Organisations (BMO's) e.g. TCCIA,CTI, TPSF etc.
  - Ministries, Department and Agencies (MDA's) e.g. BET, TIC, BOT.
  - Commercial attaches.

#### **6.5 International Settlement**

- The meaning of international settlement.
- Methods of international settlement.
  - Cheques
  - Bank drafts.
  - Mail Transfer (non-priority SWIFT).
  - Telegraphic Transfer (priority SWIFT).
  - International Money Order.
- Advantages and disadvantages of methods of international settlement used by banks.
- International payments between banks.
  - Correspondent banking.
  - Nostro and Vostro Accounts.
- Methods of transferring funds.
- Payments involving three currencies.
- Advantages and disadvantages of settlement in foreign currencies.

#### **6.6 Incoterms**

- The meaning of Incoterms.
- The purpose of Incoterms.
- Summary of Incoterms.

- Ex works (EXW), Free Carrier (FCA), Free Alongside Ship (FAS), Free on Board (FOB), Cost and Freight (CFR), Cost, Insurance and Freight (CIF), Carriage Paid to ... (CPT), Carriage and Insurance paid to .... (CIP), Delivered At Frontier (DAF), Delivered Ex Ship (DES), Delivered Ex Quay (DED) (duty paid), Delivered Duty Unpaid (DDU).
- Main obligations of buyer and seller under ICC Incoterms.
- The cost implication of Incoterms.

### **6.7 Documents used in International Trade (Part I)**

- Basic shipping documents in international trade.
  - Commercial documents and financial documents.
  - Bill of Lading.
  - Functions of a bill of lading.
  - Different types of bill of lading.
- Waybill and Airway bill.

### **6.8 Documents used in International Trade (Part II)**

- Commercial invoice.
- Other types of invoices.
  - Pro-forma invoice.
  - Consular invoice.
- Certificate of origin.
- Insurance document.
- Inspection certificate.
- Other documents.

### **6.9 Terms of Payment**

- The meaning of terms of payment.
- Payment.
- Means of payment.
  - Open account, collections, documentary credit, payment in advance.

### **6.10 Documentary Collections (Part I)**

- The meaning of documentary collections.
- Definition of a bill of exchange.
- Parties to a bill of exchange.
- Types of bills.
- Parties to a documentary collection.
- The uniform rules for collections.

### **6.11 Documentary Collections (Part II)**

- International trade settlement.
- Types of settlement:
  - Settlement by payment.
  - Settlement by acceptance.
  - Settlement by negotiation.
- Procedure for documentary collections.
- Checklist for document preparation and examination.
  - The letter of transmittal, the draft, the invoice, certificate of origin, weight list/certificate, packing list, inspection certificate, insurance document, transport documents.
- Other conditions stipulated in the appropriate Transport Articles of UCP 600.

### **6.12 Documentary Credits (Part I)**

- The meaning of documentary credit.
- Parties to a letter of credit.
- Types of Letters of Credits.
  - Revocable, irrevocable, confirmed and unconfirmed credits.
- Opening of a credit Letter of Credit.
- Advantages and disadvantages of Letters of Credit.

### **6.13 Documentary Credits (Part II)**

- Types and uses of documentary credits.
  - Irrevocable straight documentary credit.
  - Irrevocable negotiation documentary credit.
  - Irrevocable documentary credit (unconfirmed documentary credit).
  - Irrevocable confirmed documentary credit.
  - Revolving documentary credit.
  - Red clause documentary credit.
  - Standby Letters of Credit.
  - Transferable documentary credit.
  - Back-to-back documentary credit.
- Beneficiary's instructions and amendments.
- Recommended forms for requesting a transfer of the credit.
- How to control an effective assignment of proceeds.
- Uniform Customs and Practice for documentary credits.

### **6.14 Balance of Payments**

- The concept of balance of payments.
- Accounting for international transactions in the balance of payments.
- The balance of payments statement.



- The balance of payments and exchange markets.
- Balance of payments transactions.

### **6.15 Globalization**

- Globalisation and Free Trade area
- Export Processing Zones (EPZ)
- Economic Special Zones (ESZ);

### **6.16 Short Term Finance for Exporters**

- Meaning of short term finance.
- Short term facilities available to exporters.
- Bill financing.
  - Acceptance finance, discounting and negotiation, guaranteed bills of exchange (avalisation).
  - Discounting and forfeiting arrangements for the bills of exchange.
- The pre-shipment and post-shipment finance.
- Tender guarantee or tender bond.
- Performance bond.
- Advance payment bond.
- Export Credit Guarantee Schemes, buyer credits lines of credit facilities and leasing.
- Tanzania Export Revolving Fund (Export Fund).
  - Beneficiaries, utilization of the fund and repayment terms.

### **6.17 Identification and Management of Risks in International Trade**

- Definition of risk.
- Types of risks.
- Terms of payment and their respective inherent risks.
- Protection against exchange risks including:
  - Mechanics of forward contracts.
  - Utilization of foreign currency accounts for matching foreign currency positions.
  - Foreign currency borrowing/deposits and pure currency options.
- Protection against credit, political and economic risks by means of insurance.
  - Bank undertakings as a means of securing and obtaining payment, including documentary letters of credit, guarantees, standby letters of credit and guaranteed bills of exchange.
- Hedging techniques.
  - Swaps (currency and interest rates swaps), futures, options, currency forwards and other derivatives.
- International equity markets and portfolio diversification.

- International bond markets, their characteristics and features.

### **6.18 Business Travel Services**

- Exchange of currencies (foreign currency).
- Travellers' Cheques (TCs).
- Credit cards.
- Charge Cards/Debit Cards.
- Money transfers abroad.
- Travel insurance.

### **6.19 Export – Import Financing: Procedures and Documentation**

- Export procedures.
  - Business licence, export licence/permit, export documentation.
  - Procedure for shipment by air and by sea.
- Import procedures.
  - Business licence, import permit, import documentation.
  - Securing important documents.
  - Release of goods.
- Import financing-produce/merchandise advances, documentation and procedure.
- Acceptance credits, import factoring, hire purchase, indemnities and guarantees, customs bonds/guarantees.
- Considerations when handling inward bills and issuing documentary letters of credit.
- Procedures for payment of duty and taxes on Pre-Shipment Inspection (PSI) Consignments.

### **6.20 Insurance of Goods**

- Responsibility for the insurance of goods.
  - The exporter
  - The importer
- Insurance policy.
- The risks covered by the insurance policy.
- Insurance certificate.

### **6.21 International Finance**

- Fields of finance.
- International business.
- The nature and scope of international finance.
- The Breton Woods Institutions.
  - The World Bank.
  - The International Monetary Fund (IMF).

- The SDR.
- The European Monetary Union.
- The nature of international cash management.
- Ability to transfer funds.
- How to move blocked funds.
- Cash management principles.
- The management of foreign exchange exposure.
  - Translation exposure.
  - Transaction exposure.
  - Forward exchange markets.
  - Swap agreements.

### **Examination Structure**

<b>Time Allowed:</b>	Three hours. 15 minutes reading time is allowed before the start of the examination.
<b>Examination Format :</b>	The paper consists of seven questions divided into two sections.
Section A	: 2 Compulsory Questions.
Sections B	: 4 Questions (Attempt any two) a total of four questions each carrying 25 marks.

### **Required Reading**

1. O. R. Mutaitina,(2009) **International Trade Finance**, 2<sup>nd</sup> Edition TIOB (2009)

### **Recommended Readings**

2. A. J. W. Watson: **Finance of International Trade** (CIB/Bankers Books)
3. D.B. Cox: **Trade Finance – Payments and Services: Personal Course for Bankers** (Northwick Publisher)
4. BPP: **Trade Finance: Payments and Services: Study Text** (BPP Publishing)
5. International Chamber of Commerce – **Guide to Documentary Credit Operations** (ICC No. 415).
6. Bakar R. Bakar (2007), **International Finance**, Thrust Publications Ltd.

## 7.0 Lending

### Learning Objectives

At the end of the successful completion of the syllabus learners should be able to:

- Understand lending environment and factors affecting it, principles of lending and policies.
- Understand various types of credit facilities and borrowers and their lending requirement.
- Understand the whole lending process.

### Syllabus Contents

#### 7.1 Lending: An Overview

- The Importance of Lending Operations.
- Lending Environment.
- Principles of Lending.
- Attributes of Good lending: Safety, Liquidity and Profitability.
- Relevant law, codes of practice and lending policies.
- Credit process – Using lending guidelines (CAMPARI/PARSER/5 Cs).

#### 7.2 Lending Products

- Overdraft and current account revolving credit.
- Loans (Short term, medium term, long term).
- Credit cards.
- Other sources of finance (including equity finance and government backed loan guarantee schemes).

#### 7.3 Types of Borrowers

- Personal borrowers.
- Sole traders, partnerships (including limited liability Partnership).
- Limited Companies.
- Other borrowers (including lending to organisations, clubs and societies, trustees and executors).

#### 7.4 Lending requirements for different types of businesses such as:

- Personal customers.
- Retailing.
- Service industry.
- Wholesaling.
- Manufacturing.
- Farming.
- Building.

- Franchising.
- Bridging loans, mortgages and probate finance.
- Professional – e.g. doctors, solicitors and accountants.

## **7.5 Financial Analysis**

- Interpretation of:
  - Historical financial statements.
  - Management accounts (projected P & L, sensitivity analyses), budgets, cash flow forecasts, purpose and content.
- Importance of monitoring actual performance as compared with budgeted figures.
- Ratio analysis.
- Comparison of trends.
- Link to lending proposition: safety, liquidity and profitability.
- Repayment capacity.

## **7.6 Non –financial Analysis**

- SWOT analysis.
- Business Strategy.
- Management and markets.
- Technical aspects.

## **7.7 Security**

- General aspects of security.
  - Registration and its purpose.
  - Attributes of an ideal security.
  - Direct and third party security.
- Types of charges
  - Mortgage, lien, pledge, debenture.
- Common types of security:
  - Land and landed properties.
  - Debentures
  - Bank deposits.
  - Chattels.
  - Guarantees etc.

## **7.8 Monitoring and Control of Lending**

- Purpose of reviewing customers' accounts.
- Tools for monitoring and control.
- Early warning indicators.
- Monitoring the covenants in facility agreements.
- Managing problem credits.

## 7.9 Specialist services relevant to business lending

- Factoring/invoice discounting.
- Asset finance.
- International trade finance.
- Franchising.
- Hire purchase and leasing.
- Interest rate hedge; and
- Currency hedging.

### Examination Structure

**Time Allowed:** Three hours

### Examination Format:

The paper has seven questions and is divided into two parts; and candidates should attempt questions as follows:

#### Section A (40%)

Consists of two questions, one of which must be answered. Will consist of a full analysis/appraisal of a business – lending proposition.

#### Section B (60%)

Consists of five 20 marks questions, three of which must be answered.

### Required Reading:

1. M. M. Chijoriga, **Lending**, TIOB (2007).

### Recommended Readings:

1. C. N. Rouse, **Bankers' Lending Techniques** (CIB/Bankers Books).
2. C. N. Rouse, **Applied Lending Techniques** (CIB/Bankers Books).
3. P. McGregor, **Lending - Bankers Workbook**.
4. H. H. Hutchinson & L. S. Dyer, **Interpretation of Balance Sheets** (CIB/Bankers Books).
5. BPP, **Lending: Study Text** (BPP Publishing).
6. Turner C. (2006) **Personal Lending and Mortgages 2<sup>nd</sup> Ed** (Revised).
7. Institute of Finance Services ([www.ifslearning.com](http://www.ifslearning.com)).

## 8.0 Financial Services

### Learning Objectives

At the end of the subject coverage learners should be able to:

- Identify users and need for financial services.
- Identify and describe types of financial services providers.
- Identify nature and type of regulation required in Financial Services.
- Understand impact of national and international regulation in financial services (best practices).
- Explain roles and responsibilities of bank treasury in managing credit and different types of risks.
- Determine the importance of microfinance in economic development.
- Explain determinants of microfinance performance and assessment.
- Identify poverty status and impact of Microfinance on poverty alleviation.

### Syllabus Content

#### 8.1 Banks and Respective Financial Services

- Overview of Retail and Corporate Banking, Investment and Development Financial Institutions (DFIs).
- Bank customer relationship, products and services.
- Off Balance Sheet Banking Activities.

#### 8.2 Insurance and Pensions

- General principles of insurance, types of business – life, property and casualty insurance, insurance banking.
- Moral hazards and adverse selection in insurance.
- Banca assurance, insurance fund management unit trusts.
- Personal and occupational pensions, social security- requirements and constraints. Comparisons between occupational and personal pensions.
- Mutual insurance companies.
- PLC status principles.

#### 8.3 Property/Real Estate Financing

- Property development and property rental.
- General principles of estate agency, conveyancing, survey and valuation of services.
- Institutions involved in real estate financing.

#### **8.4 Financial Advisory Services**

- General principles of stock broking.
- Underwriting, brokering, market making investment trusts, open ended and closed ended funds, personal equity plans, savings, advice, financial planning advice; joint ventures.
- Trustee and executor services.
- Financial asset and portfolio management.
- Distribution methods in financial service institutions, their branches, agency postal and telephone business.

#### **8.5 Treasury Management**

- Functions of a banks treasury and prudential control.
- Wholesale financial markets.
- Activities of front, middle and back offices.
- Management of banks balances sheet exposures.
- Measurement and management of liquidity, cash flows nostro and vostro accounts.
- Transactions in both front and back office.
- The role of Clearing House.

#### **8.6 Risk Management**

- Market risk (interest rate and foreign exchange).
- Operational risk.
- Credit Risk.
- Liquidity risk.
- Other risks – country, reputation, systematic etc.
- Relationship among various risks.
- Techniques for assessment and mitigation of risks.

#### **8.7 Forex (Fx) and Money Markets Instruments (MMI)**

- Forex, forward, Swap Markets, deposits, loans, planning and MMI.
- Eligible bills and certificates of deposits (CD).
- Commercial paper (CP).
- Government debt instruments.

#### **8.8 Bonds and Notes**

- Primary and secondary markets.
- Fixed-rate issues and floating rate notes (FRNS).
- Repurchase (Repo) markets.



## **8.9 Derivatives**

- Credit derivatives.
- Forward rate agreements (FRAs) and FRABBA terms.
- Interest rate and currency swaps.
- Currency options.
- ICOM terms.
- Interest rate options and exchange traded options.

## **8.10 Microfinance**

- Introduction.
- Definition.
- Objectives.
- Financial system: Microfinance Services and products vs conventional Banking.
- Distinction between Microfinance and Small and Medium Enterprises (SMEs).

## **8.11 Development Context of Microfinance**

- Role of micro enterprises in the development process, significance and characteristics.
- The informal sector and financial needs of the poor.
- How microfinance can help and develop agriculture.
- Microfinance and alleviation of poverty.

## **8.12 Integration of Microfinance into Financial System**

- Institutional structure and requirements.
- Policy and regulatory frameworks
- Supervision and regulation of Microfinance Institutions (MFIs)
- Constraints to present day regulation.
- Linking non-governmental organizations programs to sources of finance
- Commercialization of MFIs, models, limitations, ownership and clients.

## **8.13 Methodologies, Technologies and Assessment used in Microfinance**

- Financial system basic principles and functions.
- Credit delivery models, peer groups, lending, village banking and individual loans.
- Characteristics of best performing MFIs in terms of organisation, human resources, management information system and institutional culture.
- Interest rates.

- Portfolio quality.
- Financial performance, standard and rating tools.

#### **8.14 Role of MFIS and Microenterprises in Poverty Alleviation:**

- Poverty: definition and extent.
- Tools of measuring poverty impact, relationship between microfinance and poverty.
- Impact of microfinance on low income and micro enterprises in rural and urban settings.

#### **8.15 Risk Management in Financial Services**

- Overview of Risk Management in Banks.
- Types.
- Risk Management in Microfinance.

### **Examination Structure**

**Time allowed: Three hours**

### **Examination Format**

The paper has six questions divided into three sections A, B and C. Candidates are required to attempt four questions. One question from each section and one other question from any section. All questions carry equal marks.

### **Required Reading:**

- |  |                           |
|--|---------------------------|
| 1. Mbiha E.R ( 2011) (2 <sup>nd</sup> Edition) - | Microfinance (TIOB)       |
| 2. Hudson R.N (2008) -                           | Treasury Management (CIB) |
| 3. Kessy N.J. (2007) -                           | Financial Services (TIOB) |

### **Recommended Reading**

- Bank of Tanzania Prudential Regulations.
- Microfinance Policy of Tanzania.

## **SPECIALIST PROGRAMME**

**SPECIALIST PROGRAMME**

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## **SPECIALIST PROGRAMME**

There are three subjects in the Specialist Programme. Candidates must attempt and pass all three subjects to qualify for the Specialist Certificate.

### **1.0 Advanced Credit Operations**

**Recommended Review Hours : 120 hours**

#### **Learning Objectives:**

At the end of the subject coverage learners should be able to:

- Operationalise credits to various customers in the banking sector.
- Appreciate the risks involved in credit operations and how to avoid them.
- Appreciate the market environment existing in credit operations of the banking sector.

#### **Syllabus Contents**

The syllabus consists of eight modules as detailed below:

##### **1.1 The Market for Credit Services in Tanzania**

- Micro Enterprises.
- Small and medium enterprises.
- Agriculture.
- Industry.
- Mortgage lending.
- Bridging loans.
- Consumer loans.

##### **1.2 Quantitative Risk Analysis**

Assessing the financial position and performance of borrowers using financial statements.

- Balance sheet.
- Profit and loss statement.
- Cash flow statement.
- Financial analysis techniques.
- Identifying the limitation of financial and cash flow statements.
- Non-financial indicators.
- Early warning signals.
- External factors.

### **1.3 Qualitative Risk Analysis**

- Techniques for non-financial credit assessment.
- Types of borrowers – Micro, SMEs etc.
- Categories of credit risks.
- Business plans.
- Product life cycle.
- Using SWOT analysis as a credit tool.

### **1.4 Loan Structuring**

- Types of credit facilities.
- Pricing of loans.
- Types of covenants.

### **1.5 Securities**

Land:

- Charge.
- Loan agreement cum.  
Private covenant.
- Buildings.

Debentures:

- Fixed charges (features, advantages, disadvantages).
- Floating charges (features, advantages, disadvantages).

Lien for fixed deposit

- Memorandum of deposit.

Support documents

- Guarantees.
- Indemnities.
- Negative pledge.
- Life assurance policy.
- Securities taken on goods.

### **1.6 Loan Administration**

#### **Monitoring the loan portfolio**

- Monitoring of the utilization of facilities.
- Maintenance of communication with borrowers.
- Monitoring of account.
- Collateral and documentation review.

Identification of warning signs

- Source of information available.
- Possible delinquent loan situations.

- Lends contribution to delinquent loans.
- Causes of credit deterioration and remedies
- Common cause of business failure.
  - Danger signs of red flags.

### 1.7 Credits in International Trade

- Documentary letters of credit as a means of obtaining finance.
- Import-export finance: overdrafts, loans.
- Pre-shipment finance by banks.
- Other services – bank guarantees, bonds, LIFFE etc.

### 1.8 Credit Guidelines

- Credit manuals and their contents.
- BOT – Prudential Guidelines.
- BOT – Reporting requirements.
- BOT – Accountability for Credit Concentration.

## Examination Structure

**Time allowed** : Three hours.

**Examination format** : The question paper in Advanced Credit Operations will have a total of 6 questions. Candidates will be required to answer a total of four questions as will be determined by the rubric. All questions carry equal marks.

## Required Readings

1. W. A. Mgimwa, **Advanced Credit Operations**, TIOB (2009).

## RECOMMENDED READINGS

1. Checkely Keith (1997) **Lending Bankers Workbooks** (CIB/SHU)
2. Hellen McNab and Athea Wyun (2000) **Principles and Practice of Consumer Credit Risk Management** (CIB)
3. Rouse, C. N. (2002) **Bankers Lending Techniques** (CIB)
4. Rouse, C. N. (1999) **Applied Lending Techniques** (CIB)
5. The Credit Policy and Credit Manual for your bank

## 2.0 Advanced International Trade Finance

**Recommended Review Hours : 120 hours**

### **Learning Objectives**

This is a follow-up course on the International Trade Finance of the Certified Professional Banker of the TIOB. The general aim of this course is to dig deeper on the issues covered in the Associateship course.

At the end of the subject coverage learners should be able to:

- Operationalise accounting for various methods of Settlement in International Trade.
- Appreciate foreign Exchange Exposures, Foreign Exchange Risk and Methods of Minimising Foreign Exchange Risk.
- Appreciate documentary Credits Processes, Risks and how to overcome risks and the Uniform Customs on Credits (UCP) and the Bank-to-Bank Reimbursement under Documentary Credits.
- Determine the various ways by which banks can provide finance to exporters and importers.
- Appreciate E-commerce and its impact on current international trade issues.

### **Syllabus Contents**

The syllabus has eight modules.

#### **2.1 Principles of International Trade**

- Export Markets.
- Risk assessment and decision-making.
  - Credit risk.
  - Country risk.
  - Currency risk.
- Services offered by banks.
  - Correspondent banking.
  - Raising finance.

#### **Trade Documentation**

- Commercial documentation.
- Insurance: types of insurance.
- Transport documents: types shipping terms risk.



## 2.2 Methods of Settlement in International Trade Accounting

- Correspondence Agreement.
- Methods of settlement (MT, TT, SWIFT, Draft).
- Payment in foreign currency:
  - (i) Payment in foreign currency by SWIFT.
  - (ii) Payment in foreign currency by draft.
- Payment in local currency.
- Receipt in foreign currency.
- Receipt in local currency.
- Intermediate banks in the payments procedures.
- Payment in third currency.

## 2.3 Foreign Exchange Exposure, Foreign Exchange Risk and Methods Of Minimising Foreign Exchange Risk

### Losses due foreign exchange fluctuations.

- Forward exchange contracts: definition, quotation, fixed forward contracts, option forward contracts, overlapping options, close out, extension, cost of forward exchange cover.
- Invoicing in foreign currency: advantages, disadvantages, other consideration.

### Overview of management of foreign currency exposure:

- The 3 main classification of foreign currency exposure (transaction, translation and economic exposure).
- Foreign currency transactions exposure.
- Corporate hedging philosophies.
- Internal techniques of hedging transaction exposures.
- Theoretical arguments concerning foreign exchange exposure management by corporate.
- The use of 'budget' rate of exchange in projections.
- Foreign currency translation exposure (nature, effect on the balance sheet and profit and loss account).
- Use of foreign currency borrowing to hedge balance sheet translation exposure.
- Managing translation exposure by matching 50% currency borrowing and 50% local currency finance.
- Considerations to bear in mind when using currency borrowing to hedge translation exposure.
- Use of currency swaps as an alternative to direct currency borrowing.

### Economic exposure.

- Foreign currency options (pure options): types, parties to a currency option, purpose, call and put options, American and European options,

base/counter/underlying currencies, strike price, exercise price, option premium, Boston option, intrinsic value at maturity, intrinsic value and time value prior to maturity, notification date, exercise date, expiry date, settlement date, over-the-counter options (OTC), exchange traded options, main features of alternative option contracts, advantages and disadvantages of currency options, cylinder options.

- Financial futures (interest rate and foreign exchange options): origin, definition and basis of financial futures, financial futures contracts.

## **2.4 Documentary Collections**

### **As a method of payment.**

- Detailed outline of the process at the remitting bank and at the collecting bank.
- Detailed review of the Uniform Rules for Collection (URC) and its application in documentary collection.
- Risks to exporters who sell on documentary collection terms.
- Reduction of the risks to exporters who sell on documentary collection terms.
- Acceptance pour aval.
- Avalisation of inward collections.
- Goods consigned to the collecting bank.
- Protection of goods.
- Dealing with offers of partial payment.
- Dealing with missing bills of lading.

### **As a method of Finance**

- Using produce loan to provide finance to importers who buy on documents against payment terms.
- Negotiation of bills and cheques and documentary collection: process, advantages and disadvantages.
- Advances against the documents.
- Acceptances: for outward collections and inward collections.

## **2.5 Documentary Credits**

- Parties to a credit and their roles.
- Types of credits.
- Procedure for the establishment of a credit:
  - Credit risk assessment.
  - Indemnities.
  - Cash cover.
  - Refinancing arrangements.
  - Revolving credits: counter credits.
- Amendments to credits.

- Types of amendments.
- Who may amend.
- Documentary credits.  
Role of the ICC – UCP DC.
- Issue of credit.  
Negotiations of credits.  
Acceptance credit lines.  
Clauses on credits.
- Payment of a credit:  
Documentation.  
Discrepancies.  
Usance credits.  
Discharge.  
Expiry.

## **2.6 Finance: Export and Import Finance**

- Counter trade.
- Forfeiting.
- Factoring.
- Bank guarantees.
- BAs.
- Eurocurrency finance.
- Bridging.
- Foreign currency overdrafts.
- Export credit schemes/subsidized finance/CGIC.

## **2.7 Review of the Markets**

- The foreign exchange market (size, players, mechanics, spot/swap/outright).
- The international money market – Euromarket (origins, size, maturity, mismatches).
- Types of exchange control (controls on current and capital account).
- The European Monetary System (history, ECU, parity grid).
- Two-tier exchange rate systems (features).
- Links between foreign exchange and money markets (arbitrage opportunities; using money market to create swaps: market intervention; open market operations and the money supply).

## **2.8 Money Markets and Capital Markets Conversions.**

- The yield curve (types, implied forward rates).

- Certificates of deposit (calculation of accrued interest and break-even/holding period yields).
- Discount securities (conversions, calculation of break-even yields).
- Non-standard amortised instruments.
- Capital Markets and Securities Authority (CMSA) in Tanzania.

### **Foreign Exchange Markets**

- Spot market (spot settlement, quotations, calculation of cross-rates).
- Outright forwards (premium/discount, hedging costs, calculation of cross-forwards and forward value dates).
- Swaps (using swaps, finding interest rates from swap rates and vice versa, forward swaps, extensions, broken dates).

## **Examination Structure**

**Time allowed** : Three hours.

**Examination format** : The paper will have six questions. Candidates are required to attempt four questions. All questions carry equal marks.

## **Required Reading**

1. T. A. Satta, **Advanced International Trade Finance**, TIOB (2009).

## **Recommended Readings**

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Cowdell P. and Hyde D. (2003)</li> <li>2. Maurice D. Levi (1996)</li> <li>3. International Chamber of Commerce (1995)</li> <li>4. International Chamber of Commerce</li> <li>5. International Chamber of Commerce</li> </ol> | <p><b>Finance of International Trade.</b><br/>Financial World Publishing 8<sup>th</sup> Edition.</p> <p><b>International Finance McGraw-Hill</b></p> <p><b>Uniform Rules for Collection</b></p> <p><b>Uniform Customs and Practices for Documentary Credits.</b></p> <p><b>Uniform Rules for Bank-to-bank reimbursement.</b></p> |
|--|--|

## 3.0 Advanced Treasury Management

**Recommended Review Hours : 120 hours**

### **Learning Objectives:**

At the end of the subject coverage learners should be able to:

- Develop a working knowledge of modern financial techniques and financial mathematics.
- Analyse, interpret and compare financial options for the business decision-making process.

### **Syllabus Contents**

#### **3.1 Financial Economics**

##### **Financial Concepts.**

- Concept of time value of money.
- Calculation of simple interest.
- Calculation of compound interest.
- Continuous growth of money supply.
- Value of simple annuity and applications.

##### **Basic Mathematics of Finance.**

- Definition of nominal and effective interest rate.
- Conversion of interest rates.
- Calculation of forward interest rates.
- Calculation of forward foreign exchange rates.
- Off-shore finance calculations.
- Calculation of internal rate of return.
- Calculation of net present value of cash flows.
- Derivation of comparative borrowing costs.
- Derivation of comparative investment return.

##### **Elementary Concepts of Statistics.**

- Various measures of dispersion.
- Concept of probabilities with simple applications.
- Hypothesis testing.
- Regression testing.
- Regression analysis with error estimates.
- Volatility.

##### **Theory of Financial Markets.**

- Elementary analysis of fixed-interest securities.
- Price/yield relationship for bonds.
- Introduction of duration and other sensitivity measures.

- Concept and derivation of implied forward rates.
- Application to pricing forward instruments.
- Concepts underlying option valuation.

#### **Applications.**

- Elementary analysis of fixed-interest securities.
- Price/yield relationship for bonds.
- Introduction to duration and other sensitivity measures.
- Concept and derivation of implied forward rates.
- Application to pricing forward instruments.
- Concepts underlying option valuation.

### **3.2 International Monetary Economics**

#### **Balance of Payments Adjustment**

- Nature of balance of payments adjustment. The elasticity approach, absorption approach, monetary approach.
- Controlled flexibility of exchange rates. “Distinction between freely-floating and managed floating rates. Distinction between adjustable peg system, wider bands and crawling pegs.
- Case for currency target zones. Role of two-tier exchange rate systems.
- Monetary Systems.

#### **Government Fiscal and Monetary Policies**

- Government borrowing and spending.
- Balance of payments.
- Money supply.

#### **Exchange Rates**

- Volatility.
- Types.
- Impact of floating rates on international trade, capital movements and inflation.
- Floating rates and monetary discipline. Official intervention under floating rates.
- Capital flows in developing countries.
- Third World debt crisis. Its origin and impact on international banking systems.
- The impact of Third World debt crisis on gold markets.
- Sub-Saharan debt crisis: its origin and possible solutions.
- Nature, causes and implications of capital flight from developing countries.
- Relevance of capital flight to Tanzania.

- Economics of foreign aid programmes, advantages and disadvantages.
- Aid for developing countries.
- Causes of international capital flows.
- Institutional arrangements.

### **International Liquidity**

- Controlling international liquidity. Assessing the need for foreign reserves.
- Foreign reserves – needs under fixed rates and under managed floating rates.
- Gold, reserve currencies and SDRs.
- Reasons for diminished role of gold in the international monetary system since 1945.
- Present and future role of gold and the dollar in the international monetary system.
- Diminished role of gold as a safe haven asset. Causes and implications.
- Design and role of SDR. Future potential role of SDR.

### **International Monetary Fund**

- Origins, structures and role of the International Monetary Fund.
- Structural adjustment programme.
- Quotas, borrowing and lending facilities of the Fund.
- Future role of the Fund.

### **International Capital Markets**

- History role and growth of Eurocurrency markets, CMSA.
- Regulation of the Eurocurrency markets.
- Control of international capital movements.
- The arguments of liberalization of capital movements.
- Arguments for control and methods of control.
- Exchange control.
- Barriers to capital flows.

### **Determination of Interest Rates.**

- Classical theory.
- Loanable funds theory.
- Monetarist theory.
- Neo-Keynesian theory.

## **3.3 Financial Markets II**

### **Review of Markets**

- The foreign exchange market (size, players, mechanics, spot/wap/outright).

- The international money market –euro market (origins, size, maturity mismatches).
- Types of exchange control (controls on current and capital account).
- Two-tier exchange rate systems (features).
- Links between foreign exchange and money markets (arbitrage opportunities; using money market to create swaps; market intervention; open market operations and the money supply).

### **Trading Theories**

- Fundamental theories (relative money supply theory; purchasing power parity; portfolio theory).
- Technical methods (chartist ideas, channels, cross-overs/moving averages, filter rules, benefits and problems of technical analysis).

### **Foreign Exchange Markets**

- Spot market (spot settlement, quotations, calculation, cross-rates).
- Outright forwards (premium/discount, hedging costs, calculation of cross forwards and forward value dates).
- Swaps (using swaps, finding interest rates from swap rates and vice versa, forward swaps, extensions, broken dates).

### **The Money Markets and Capital Markets**

- CMSA in Tanzania.
- Conversions.
- The yield curve (types, implied forward rates).
- Certificates of deposit (calculation of accrued interest and break-even/holding period yields).
- Discount securities (conversions, calculation of break-even yields).
- Non-standard amortized instruments.

### **The Gold Market**

- Gold and foreign exchange markets (historic role, influence on gold price).
- Gold and the international monetary system.
- Gold as a reserve asset.
- Demand and supply in the gold market.
- Trading in gold.

### **The Derivatives Market**

- Mechanics of the futures market.
- Pricing of financial futures (relationship between cash and futures prices, spread).
- Devising a hedging strategy with futures contracts.
- Mechanics of the options market (options market (options of physicals, options and futures)).



- Introduction to option pricing (put-call parity, Black-Scholes model, binomial model, estimation of price volatility, sensitivity of option premiums).
- Speculating and hedging with options (combining strategies option spreads, delta hedging, risk management with options).

### **3.4 Risk Management in Financial Institutions**

#### **Risk Management**

- Definition of role, types, symmetric Vs. asymmetric.
- Hypothesis – Higher risks/higher return and the relationship between risk and return.
- The role of risk management.
- Risk identification, assessment, analysis and determination.
- Managing risk

#### **Assets Liability Management (ALM)**

- History.
- Introduction and approach to ALM.
- Organization and function of ALCO.
- ALCO techniques (gap analysis simulations and duration analysis).
- Cash and debt management.
- Cash flow management.
- Cash flow projections and planning.
- Liquidity management.
- Funding strategies.
- Working capital management.
- Debt Vs. equity decisions.
- Management of loan portfolio and pricing implications.
- Capital management and source of long term finance.

### **3.5 Treasury Management in Non-Financial Service Organisations**

#### **Function of Treasury**

- Centralized vs. decentralized.
- An overview of treasury products.
- Treasury Operational Manuals and Banks internal policies.

#### **Cash and Marketable Securities Management**

- Marketable securities (government treasury bills, promissory notes).
- Cash flow cycle.
- Electronic Cash Management (ECM).
- Cash flow budgeting or forecasting.
- Pricing aspect of cash management.

### **Forex Cash Management**

- Positions vs. cash flow.
- Funding alternatives.
  - Short.
  - Medium.
  - Long.

### **Cost Centre and Profit Centre**

- The differences.
- Financial planning and control.
- Capital budgeting.
- Capital budgeting: risk analysis.
- Control of dealing operations.
- Need for internal controls within the treasury.
  - Financial risks.
  - Operational.
  - International and external controls.
  - Structure of treasury.
  - Front, middle, back office.
  - Segregation of duties.
  - Management information.
  - Netting.
- Determination of cost of capital.

## **Examination Structure**

**Time allowed: 3 hours**

The question paper will have six questions. Candidates will be required to answer four questions according to the rubric. All questions carry equal marks.

### **Required Reading:**

W. A. Mgimwa, (2009) **Advanced Treasury Management**, TIOB

### **Recommended Readings**

1. Hudson R, Colley A and “**Treasury Management**” CIB London.  
Lergan M (1998)
2. Buckley A. (2004) **Multinational Finance** 5<sup>th</sup> Edition Prentice Hall.
3. Murphy A. **Guide to Treasury Practice and Technology**  
WWCP Publications.
4. Ross D. (2000) **Global Treasury Management**  
Informal Professional.

## THE TANZANIA INSTITUTE OF BANKERS

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Samora/Mirambo Street  
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### THE TANZANIA INSTITUTE OF BANKERS EXEMPTION POLICY

The Institute will accredit subjects passed at Universities, and other professional bodies subject to certain rules and conditions:

#### Rules:

1. Any subject credit obtained more than ten (10) years prior to application for exemption will NOT be considered.
2. Members of the Tanzania Institute of Bankers (TIOB) must submit an Application for Exemption form for the application to be considered.
3. Non-members of the TIOB must, in addition to the Exemption Application Form, submit a Membership Application.
4. A certified copy of the original qualification must accompany the application.
5. An academic transcript listing all subjects passed must be submitted with the application.
6. Copies of the relevant syllabi/certified by the Registrar of the Institution where the subjects were passed, must also be submitted.

#### Please note the following:

- If an applicant holds a Masters degree, one will be awarded accreditation for the subject of specialization in line with the TIOB Certified Professional Banking syllabi.
- If an applicant holds a foreign qualification, one must have the qualification evaluated by the relevant evaluation authority.

## THE TANZANIA INSTITUTE OF BANKERS

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### APPLICATION FOR EXEMPTION

Membership Number: \_\_\_\_\_  
Surname: \_\_\_\_\_ First Names: \_\_\_\_\_  
Postal Address; \_\_\_\_\_  
Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-mail: \_\_\_\_\_

The following must be submitted together with your application for exemption:

1. A certified copy of your original qualification and an academic transcript listing all the subjects passed.
2. Copies of the relevant syllabi/course outlines certified by the Registrar of the Institution where the subjects were examined.
3. If you are not a member of the Tanzania Institute of Bankers, a completed application for membership form as well as a registration and a subscription fee must accompany this application.
4. An evaluation report from the relevant evaluation authority where applicable.

Name of Degree held (any 2<sup>nd</sup> or 3<sup>rd</sup> degrees and professional qualifications):  
\_\_\_\_\_

Name of Institution with which Degree is held: \_\_\_\_\_  
Subjects for which exemption is sought: \_\_\_\_\_

I agree to abide by the TIOB Constitution and Bye-Laws.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date signed

# THE TANZANIA INSTITUTE OF BANKERS



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Fax: 255 22 2112604

## MEMBERSHIP APPLICATION FORM

**ORDINARY MEMBER  
(EMPLOYEES OF BANKS/FINANCIAL  
INSTITUTIONS)**

S/NO: .....

To: The Registrar  
The Tanzania Institute of Bankers  
P. O. Box 8182  
**DAR ES SALAAM**

I wish to apply for membership as an Ordinary Member of the Tanzania Institute of Bankers. If admitted, I undertake to observe the rules of the Institute as expressed in the Memorandum and Articles of Association of the Institute together with the code of ethics and regulations of the Institute.

### **PART I: PERSONAL PARTICULARS – (USE CAPITAL LETTERS)**

1. Last Name: .....
2. First Name: .....
3. Middle Name: .....
4. Gender: Male/Female : ..... Nationality.....
5. Date and Place of Birth: .....  
District: .....Region.....
6. Present Address: .....  
Phone/E-mail: .....  
Employer .....  
Dept/Branch .....
7. Designation .....
8. Educational Qualification: .....
9. Signature of Applicant: ..... Date: .....

**PART II CERTIFICATE OF EMPLOYER**

I hereby certify that Mr./Mrs./Miss: ..... is  
our employee with ..... branch/department and  
the particulars given above are correct.

Designation: .....

Name of Institution/Employer: .....

Date: .....

Signature: ..... Official Stamp

**FOR OFFICIAL USE ONLY**

- 1. Date application received ..... S/No. ....
- 2. Registration fee received TZS. .... Receipt No: .....
- 3. Annual Subscription fees received TZS..... Receipt No: .....
- 4. Documents attached to the application consist of .....

.....  
Name of Officer                      Designation                      Signature                      Date

**NOTES**

- 1. This form duly completed should be forwarded to the Registrar together with TZS.20,000 being registration fee of TZS.10,000 and annual subscription fee TZS.10,000 for Banking Staff.
- 2. Payment shall be made in cash or banker's cheque or transfer / deposit payable to the Tanzania Institute of Bankers, Account Number 014 0010421801 with Stanbic Bank Tanzania Ltd; Dar Main Branch.

# THE TANZANIA INSTITUTE OF BANKERS



Telephone: 255 22 2133350  
E-mail: [bankers@africaonline.co.tz](mailto:bankers@africaonline.co.tz)  
Website: [www.bot-tz.org/tiob/](http://www.bot-tz.org/tiob/)

Fax: 255 22 2112604

## MEMBERSHIP APPLICATION FORM

**STUDENT MEMBER  
(NON-BANKER)**

S/NO: .....

To: The Registrar  
The Tanzania Institute of Bankers  
P. O. Box 8182  
**DAR ES SALAAM**

I wish to apply for membership as a Student Member of the Tanzania Institute of Bankers. If admitted, I undertake to observe the rules of the Institute as expressed in the Memorandum and Articles of Association of the Institute together with the code of ethics and regulations of the Institute.

### PART I: PERSONAL PARTICULARS – (USE CAPITAL LETTERS)

1. Last Name: .....
2. First Name: .....
3. Middle Name: .....
4. Gender: Male/Female: ..... Nationality.....
5. Date and Place of Birth: .....  
District: .....Region.....
6. Present Address: .....  
Phone/E-mail: .....  
Employer .....
- Dept/Branch .....
7. Designation .....
8. Educational Qualification: .....
9. Signature of Applicant: ..... Date: .....

**PART II CERTIFICATE OF GUARANTOR**

I ..... hereby certify that Mr./Mrs./Miss: ..... is known to me personally and the particulars given above are correct. I guarantee his/her membership with the Tanzania Institute of Bankers.

Designation: .....

Date: .....

Signature of guarantor: .....

**FOR OFFICIAL USE ONLY**

- 1. Date application received ..... S/No. ....
- 2. Registration fee received TZS ..... Receipt No: .....
- 3. Annual Subscription fees received TZS..... Receipt No: .....
- 4. Documents attached to the application consist of .....

.....  
Name of Officer                      Designation                      Signature                      Date

**NOTES**

- 1. This form duly completed should be forwarded to the Registrar together with TZS.25,000 being registration fee of TZS.10,000 and annual subscription fee of TZS.15,000.
- 2. Payment shall be made in cash or bankers cheque or transfer or deposit payable to the Tanzania Institute of Bankers, Account Number 014 0010421801 with Stanbic Bank Tanzania Ltd; Dar Main Branch.



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### BANKING CERTIFICATE EXAMINATION ENTRY FORM NOTES FOR GUIDANCE

P.O. Box 8182  
DAR ES SALAAM  
Fax: 255 22 2112604  
Website: [www.bot-tz.org/tiob/](http://www.bot-tz.org/tiob/)

#### Entries

1. ALL APPLICANTS INTENDING TO REGISTER FOR EXAMINATIONS FOR THE BANKING CERTIFICATE MUST FIRST BE MEMBERS OF TIOB.
2. Any correspondence regarding the examinations shall be sent to the applicant's address. Any change of address shall be communicated to the Institute.
3. Entries must comply with the regulations printed in the Examination Handbook. All entries must be forwarded to the Tanzania Institute of Bankers (TIOB), P.O. Box 8182, Dar es salaam or send by fax or e-mail.

#### Examination Venue

4. A convenient examination centre will be identified.

#### Examination Time

5. All examinations are of 3 hours duration.

#### Fees

6. Examination fee is TZS.30,000 for each subject for Bank employees and TZS.50,000 for each subject for non-bank employees.

Payment shall be made either at the TIOB offices in Dar es Salaam or by banker's cheque or transfer/deposit to The Tanzania Institute of Bankers, Account No. 0140010421801 with STANBIC BANK (T) LTD, DAR MAIN BRANCH. TIOB Receipt or Bank pay-in slip must accompany this form. Examination Entry Deadline for May Examinations is 15<sup>th</sup> March and for November Examinations is 15<sup>th</sup> September.

7. Late entries will only be accepted upon payment of a penalty of TZS.10,000/= for each subject but not later than 30<sup>th</sup> March for May examinations or 30<sup>th</sup> September for November examinations. No entries will be accepted after 30<sup>th</sup> March or 30<sup>th</sup> September.
8. Candidates shall buy and use appropriate study material from the Institute.

#### Attendance Notice

9. Candidates shall be notified one week in advance. They should consult the Institute in case they do not receive notification.

#### Results

10. May and November Examinations results will be published in July and January respectively.
11. Results will be posted on the TIOB website: [www.bot-tz.org/tiob/](http://www.bot-tz.org/tiob/) and TIOB notice board. Candidates who attempted the examinations shall be notified individually.



## THE TANZANIA INSTITUTE OF BANKERS



Tel: 255 22 2133350

Email: [bankers@africaonline.co.tz](mailto:bankers@africaonline.co.tz)

### CERTIFIED PROFESSIONAL BANKING EXAMINATION ENTRY FORM NOTES FOR GUIDANCE

P.O. Box 8182

DAR ES SALAAM

Fax: 255 22 2112604

Website: [www.bot-tz.org/tiob/](http://www.bot-tz.org/tiob/)

#### Entries

1. ALL APPLICANTS INTENDING TO REGISTER FOR EXAMINATIONS FOR THE CERTIFIED PROFESSIONAL BANKING MUST FIRST BE MEMBERS OF TIOB.
2. Any correspondence regarding the examinations shall be sent to the applicant's address. Any change of address shall be communicated to the Institute.
3. Entries must comply with the regulations printed in the Examination Handbook. All entries must be forwarded to the Tanzania Institute of Bankers (TIOB), P.O. Box 8182, Dar es salaam or send by fax or e-mail.

#### Examination Venue

4. A convenient examination centre will be identified.

#### Examination Time

5. All examinations are of 3 hours duration.

#### Fees

6. Examination fee is TZS.35,000 for each subject for Bank employees and TZS.50,000 for each subject for non-bank employees.

Payment shall be made either at the TIOB offices in Dar es Salaam or by banker's cheque transfer/deposit to **The Tanzania Institute of Bankers**, Account No. 0140010421801 with STANBIC BANK (T) LTD, DAR MAIN BRANCH. TIOB Receipt or Bank pay-in slip must accompany this form. Examination Entry Deadline for May Examinations is 15<sup>th</sup> March and for November Examinations is 15<sup>th</sup> September.

7. Late entries will only be accepted upon payment of a penalty of TZS.10,000/= for each subject but not later than 30<sup>th</sup> March for May examinations or 30<sup>th</sup> September for November examinations. No entries will be accepted after 30<sup>th</sup> March or 30<sup>th</sup> September.
8. Candidates shall buy and use appropriate study material from the Institute.

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#### Results

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### SPECIALIST PROGRAMME EXAMINATION ENTRY FORM NOTES FOR GUIDANCE

#### Entries

1. ALL APPLICANTS INTENDING TO REGISTER FOR EXAMINATION FOR THE SPECIALIST PROGRAMME MUST BE HOLDERS OF ASSOCIATESHIP DIPLOMA / CERTIFIED PROFESSIONAL BANKER (ATTACH CERTIFIED COPIES).
2. Any correspondence regarding the examinations shall be sent to the applicant's address. Any change of address shall be communicated to the Institute.
3. Entries must comply with the regulations printed in the Examination Handbook. All entries must be forwarded to the Tanzania Institute of Bankers (TIOB), P.O. BOX 8182, Dar es Salaam or send by fax or e-mail.

#### Examination Venue

4. A convenient examination centre will be identified.

#### Examination Time

5. All examinations are of 3 hours duration.

#### Fees

6. Examination fee is TZS.50,000 for each subject for bank employees and TZS.60,000 for non-bank employees.

Payment shall be made either at the TIOB offices in Dar es Salaam or by bankers cheque or transfer/deposit to The Tanzania Institute of Bankers, Account No. 0140010421801 with STANBIC BANK (T) LTD, DAR MAIN BRANCH. TIOB Receipt or Bank pay-in slip must accompany this form. Examination Entry Deadline for May Examinations is 15<sup>th</sup> March and for November Examinations is 15<sup>th</sup> September.

7. Late entries will only be accepted upon payment of a penalty of TZS.10,000/= for each subject but not later than 30<sup>th</sup> March for May examinations or 30<sup>th</sup> September for November examinations. No entries will be accepted after 30<sup>th</sup> March or 30<sup>th</sup> September.
8. Candidates shall buy and use appropriate study material from the Institute.

#### Attendance Notice

9. Candidates shall be notified one week in advance. They should consult the Institute in case they do not receive notification.

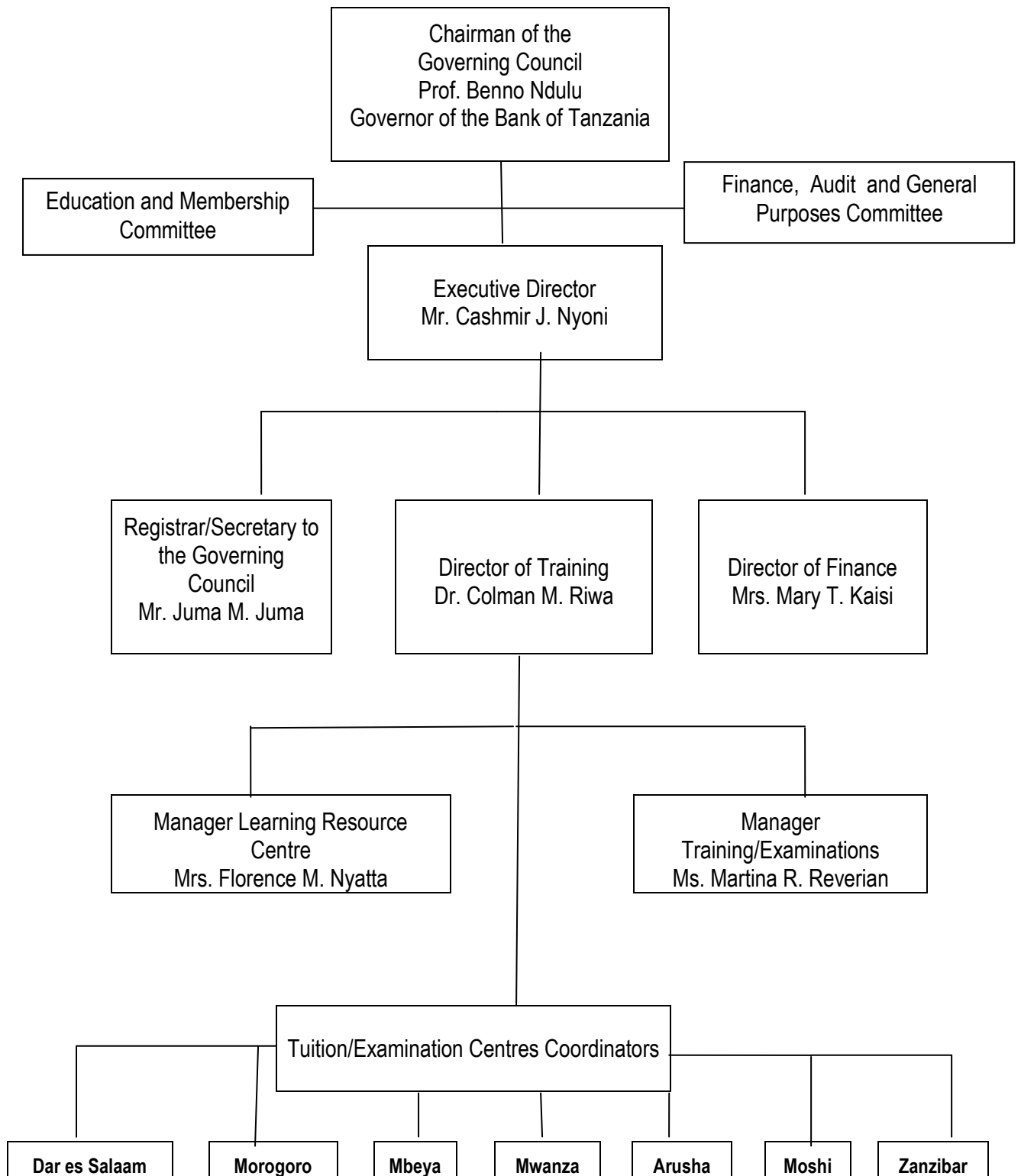
#### Results

10. May and November Examinations results will be published in July and January respectively.
11. Results will be posted on the TIOB website: [www.bot-tz.org/tiob/](http://www.bot-tz.org/tiob/) and TIOB notice board. Candidates who attempted the examinations shall be notified individually.



# THE TANZANIA INSTITUTE OF BANKERS

## ORGANISATION CHART



**THE TANZANIA INSTITUTE OF BANKERS**

**MANAGEMENT**



**EXECUTIVE DIRECTOR  
MR. CASHMIR J. NYONI**



**REGISTRAR/SECRETARY TO THE  
COUNCIL  
MR. JUMA M. JUMA**



**DIRECTOR OF TRAINING  
DR. COLMAN M. RIWA**



**DIRECTOR OF FINANCE  
MRS. MARY T. KAISI**