

RECOMMENDED READING**Essential**

Grant R.M. (Latest Edition) – Contemporary Strategy Analysis, Blackwell Business
Stoner and Freeman (Latest Edition) - Management, Prentice Hall

Supplementary

Thompson and Strickland (Latest Edition) Strategy Management, BPI/IR WIN
Porter M.E. (Latest Edition) - Competitive Strategy, New York Free Press
Porter M.E. (Latest Edition) - Competitive Advantage, New York Free Press
Buzell R.T. and Gale BT (Latest Edition) - Principles Linking Strategy to
Performance (PIMS), New York Free Press

Harvard Business Review
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**THE INSTITUTE OF BANKERS
OF ZIMBABWE****SYLLABUS
DIPLOMA LEVEL**

DIPLOMA LEVEL**MANAGEMENT ACCOUNTING****The Nature of the Subject**

This syllabus has been designed to enable candidates to show that they have a good understanding of theory of costing and management accounting theory and are able to evaluate management performance and provide decision making information from given scenarios.

Aims and Objectives of the Examination

To develop students' analytical and critical abilities through a study costing and management accounting theory and to further develop the ability to devise indicators of performance, to measure, to evaluate management performance and to provide financial and non financial information for planning and control and decision making.

The Examination

The examination will be of three hours duration, plus ten minutes reading time during which period candidates may write on the Question Paper but not in their answer Book.

Syllabus

Candidates should note that it is not the intention to examine subject areas shown below individually. Rather, answers will provide the opportunity for candidates to demonstrate their question. The examination will cover the following:-

1. INTRODUCTION**(a) Distinction between cost and management accounting**

- a cost walks on two legs
- what is a cost?
- why?
- costing terminology – cost centre, cost unit, cost classification,

cost

- allocation, cost apportionment, cost absorption, cost estimate
- forecast

cost

(b) Element of Cost

- direct and indirect expenditure
- direct and indirect material
- direct and indirect labor
- direct and indirect expenses

12. Managing Quality

- The concept of quality
- The concept of value
- Porter's generic value chain
- Quality in theory and practice
- British Standard 5750 (BS 5750)
- Zimbabwe Standard and International Standard Organization (ISO)
- The quality management cycle
- Case Study

13. The Role of the Marketing Function in Strategic Management

- Definition of Marketing
- Marketing at the corporate level
- Comparing corporate and marketing planning
- Marketing at the strategic business unit level
- Strategic marketing planning and implementation
- Case study

14. The Role of Personnel in Strategic Management

- A Stakeholder view of Personnel
- Stakeholder expectations of Personnel
- The Personnel role in the Strategic Management Cycle
- Personnel and the implementation of strategy
- Internal factors influencing strategy implementation
- Personnel aspects of strategy implementation
- Personnel management and organizational change
- Personnel implications of strategic change
- Resistance to change
- The four change methods
- Case Study

15. Measuring Strategic Performance

- Strategic performance - key measures
- Strategic business plan - measuring performance
- Stakeholder perspectives on effective performance
- Efficiency of performance
- Profit Impact Market Strategy (PIMS) programme
- Case Study

16. Acting Strategically

Identify standard barriers to strategy application
 Strategic Change plan for the strategy, change, validate change
 Align strategy and human capital enhance event
 Innovation pool, - "Blue Sky" and strategy groups
 Check if your culture is innovative or change capable.
 Management of strategic information

Where strategy and tactics meet – the major concerns
 Support funding and facilities
 Implementing decisions and reviewing results
 Implementing strategy – a working model

8. Business Plan

- The strategic business plan – its outline
- Implementing strategy – key forces
- Budgets in business plans
- The Basic Budget cycle
- Cash flow forecasts
- Outline of a cash flow budget
- Case Study

9. The International Dimensions of Strategy

- International dimensions of market-places
- International influences on companies
- International competition
- International business and the impact to technology
- The single European Market
- Japanese management practices
- Multinational Enterprises
- Entry strategies in international markets
- Case Study

10. Organisational Culture and Strategic Management

- Concept of corporate culture and its significance
- Definition of culture and organisational culture
- Implications of organisational culture to Strategic Management
- Explicit aspects of culture
- Importance of unity of internal culture
- Case Study

11. Managing Change and Innovation

- The effect of environment on change
- Factors in the external environment
- Factors in the internal environment
- Organisational change
- Managing Strategic Change
- Resistance to change
- Force-field theory
- Definition of change and innovation compared
- Management of change and innovation compared
- Case Study

-principles of cost accounting
 -merits of a good costing system

c) Costing Systems

- historic costing system
- standard costing system
- absorption costing system
- marginal costing system

(d) Cost Methods

- factory job costing
- contract costing
- batch costing
- process costing

2. MATERIAL PURCHASING AND PROCUREMENT

(a) Importance of purchasing

- material control
- initiating a purchase
- purchase requisition
- purchase order
- receipt of material
- goods received note
- inspection note
- material return to supplier

(b) Storekeeping

- objective of good storekeeping
- need for material costing
- classification of material
- issue of material
- return of materials to stores

c) Material Control

- Stock control
- maximum stock level
- minimum stock level
- re-order level
- economic order quantity
- overstocking
- understocking

- perpetual inventory
- bin card
- continuous stock-take
- annual stocktake
- stockholding costs

d) **Material Cost**

- distinction between lower of cost or net realisable value
- principles of pricing stores issue
- first in first out (FIFO) method
- last in first out (LIFO) method
- simple average method
- weighted averaged method
- replacement price method
- standard cost method

3. **WAGES REMUNERATION/INCENTIVE BONUS SCHEMES**

(a) **Principles of remuneration**

(b) **Types of remuneration systems viz**

- time rates
- piece rates
- premium bonus schemes

(c) **Organization of wages department**

- wages records
- preparation of wages
- payment of wages
- unclaimed wages

4. **OVERHEADS**

(a) **Concept of overhead absorption**

(b) **Basic of absorption**

- material cost percentage rate
- wages cost percentage rate
- prime cost percentage rate
- labour hour rate
- machine hour rate
- unit cost rate

(c) **Services Department Cost Centre Costs**

- reciprocal services

4. Competitive Advantage

- The Nature of competition in an Industry
- Porter's five competitive Forces model
- Porter' Seven major barriers to market entrys
- Analysing the competition in the Industry
- Competitive position
- Porter' generic value chains
- Profiling known competitors
- The unknown competitors
- Case Study

5. Forecasting the Future

- The focus of forecasting
- Strategic forecasting techniques
- Gap Analysis
- Quantitative Techniques which include Budget Forecasts, Simple projections, Key Ratio Analysis, Profit Impact On Market Strategy (PIMS) analysis, Computer Modelling including econometrics.
- Qualitative Techniques which include BPEST analysis, SWOT analysis, Scenario development, Delphi technique and Brainstorming.
- Case Study

6. Formulating a Strategy

- Strategic choices- the key alternatives

A Basic Model of strategic choices

Strategies in the four main functional areas of a business enterprise - product, market, financial and general strategies

Strategic choice in practice

Theoretical models of Strategy:

Ansoff' Product – Market Strategies, Porter' Generic Strategies, the Boston Consultingss Group' Portfolio Frameworks

The experience curve

Further theoretical aspects of strategy

Strategic levels - Corporate, Business and Functional, their priorities and components.

Crafting a strategy

Case Study

7. Implementing Strategy

- Devising a Framework for implementing strategy

THE EXAMINATIONS

The Examination will be of three hours duration plus ten minutes reading time during which period candidates may study the Question Paper thoroughly before starting writing anything in their Answer Books. The examinations will focus mainly on Case Studies.

THE SYLLABUS

Candidates should take note of the fact that the examiner will expect them to adopt a holistic approach to the subject of Strategic Management. This means that the candidates should look at the individual topics/areas of the subject and establish relationships between them. Candidates should also link what they know about the subject with reality, that is, relating the subject to the real life situations in general or the Banking Industry in particular.

The examination will cover the following topics/areas which constitute the entire syllabus of Strategic Management:

Strategic Management Concept

- Definition of a Strategy, role and development of Strategy
- Types of strategy
- Basic strategic management cycle
- Relationship between strategy and the operations of the organisation
- Strategic issues
- Effects of Internal and External environments on Strategic Management
- Stakeholders in Strategic Management

2. Definitions of purpose, goals and objectives of organizations

- Vision statement
- Mission Statement
- Strategic goals/aims
- Policies

Objectives

Value statement

Hierarchy of goal-setting activities

3. Assessing the Environment

- SWOT analysis
- BPEST analysis
- Key external influences on an organization
- Analysis of internal strengths and weaknesses
- Industry and Business life-cycles
- Case Study

-cost allocation

d) Cost Apportionment Method

- direct method
- repeated distribution method
- simultaneous equation method
- step-down method

e) Over and Under-Recovery of Overhead

- over-recovery
- under-recovery
- disposing over and under-recovery of overheads

f) Cost Control Accounts

- ledger control accounts
- costing profit

g) Integral/interlocking Accounts

- financial accounting profit
- items giving rise to difference between costing profit and financial accounting profit
- costing profit
- costing profit and loss statement
- reconciling costing profit with final accounting profit

financial

5. JOB COSTING

- principles of factory job costing
- direct costs
- share of production overhead
- share of selling and distribution costs
- share of administration overhead
- mark-up on the job
- selling price to be quoted

6. CONTRACT COSTING

- features of contract costing
- plant on site

-materials on site

- accrued wages and expenses
- work done but not yet certified
- architect's certificate
- retention monies
- profit on uncompleted contracts
- valuation of work-in-progress

7. **PROCESSING COSTING**

- features of process costing
- valuation of work in progress
- treatment of normal/abnormal loss or gains/yields
- joint and by-products accounting

8. **MARGINAL COSTING**

(a) **Relevant and Irrelevant Information**

- relevant costs and revenue
- relevant costs and opportunity costs
- cost classification and decision making
- relevance of fixed costs
- relevance of variable costs

(b) **Segregation of Mixed Costs using:-**

- high-low range
- scatter charts
- regression analysis

(c) **Cost Volume Profit Analysis**

- concept of cost volume profit analysis
- the contribution concept
- contribution/profit volume ratio
- the break-even point
- the margin of safety

(d) **Break-Even Charts:**

- accountant's view of break-even chart
- economist's view of break-even chart
- usefulness of break-even charts
- profit-volume chart

(ii) **OPTIONS/CONVERTIBLES AND WARRANTS**

- (a) Traditional and traded options
- (b) Black and Scholes options pricing model
- (c) Convertible loan stock
- (d) Valuation of warrants

8. **PORTFOLIO MANAGEMENT**

Institutional investors and their significance

- (a) Functions of portfolio management
- (b) Portfolio Management process
- (c) Assisting Clients' utility functions
- (d) Portfolio Management Styles
- (e) Sharpe/Treynor and Jensen measures

9. **RECONSTRUCTION**

- (a.) Management buyouts
- (b) Mergers and Takeovers
- (c) Fighting a takeover bid-methods

10. **TRANSFER PRICING WITHIN A PURELY DOMESTIC FIRM**

- inter-divisional pricing of resources/goods/services
- (a) limiting factors (presence or absence of a market)

RECOMMENDED TEXTS

Financial Markets Analysis	- David Slake
Management of Company Finance	- Samuels Wilkes and Brayshane
Security Analysis and Portfolio Management	- Ronald Jordan - Donald Fischer
Corporate Finance	- Alexander Sharpe

STRATEGIC MANAGEMENT

The Nature of the Subject

The syllabus has been designed to provide candidates with an opportunity to demonstrate an in-depth understanding of the theory and practice of Strategic Management in the Banking Industry in particular and the general environment of the entire financial sector locally, regionally and globally. Candidates are urged to look for Case Studies relevant to topics they would have covered and attempt each of them with the aim of developing or sharpening their strategic managerial skills.

Aims and Objectives

- (1) To show an understanding of the concepts, principles, problems, benefits and practices of Strategic Management.
- (2) To assist candidates to develop the skills of analysing issues and concerns in organisations from various perspectives.
- (3) To help candidates to be able to apply what they know about Strategic Management to what happens in the real life situations/organisations.

1. MULTINATIONAL CAPITAL BUDGETING

- (a) Investment criteria
- (b) MNC characteristics that affect the cost of capital
- (c) Country faced an MNC - how to reduce such risk
- (d) Motivations of going international and methods used

2. SECURITIES RISK AND THE CAPM

- (a) Systematic versus Non-systematic risk
- (b) expected returns/Variance/Standard deviation/Covariance.

3. COST OF CAPITAL (REVISITED) AND COMPANY VALUATION

- (a) Average versus marginal cost
- (b) Dividend Valuation/CAPM/Earnings Method
- (c) Forecasting earnings - regression analysis
- (d) P/E method, Net Assets value method, discounted cash flows Method

4. STOCK MARKET ANALYSIS

- (a) Speculation/Arbitrage/Investment
- (b) Technical Analysis/Fundamental Analysis/EMH
- (c) Market Anomalies
- (d) Stock Market indices (how to calculate indices)
- (e) Zimbabwe Stock Exchange (ZSE) - Trends
 - No Regulatory machinery
 - Why?

5. MONEY AND CAPITAL MARKET

- (a) Securities quoted on a discount and yield basis
- (b) Capital markets - advantages of a quotation/disadvantages
- (c) Methods of raising equity capital
- (d) Critical questions against capital markets

6. DIVIDEND POLICY

- (a) Theories on dividend policies
- (b) Why companies payout dividends
- (c) Types of dividend policies
- (d) Other forms of dividends - stock dividends, stock splits
- (e) Factors affecting dividend policy

7. LONG TERM FINANCE

Classifying shares according to their risk return profile

- (a) Leasing
- (i) BONDS

Legal aspects

General features of bonds

Classifying bonds

Valuation of bonds

Yield measures

Market price of bonds

Bond duration

Term structure and interest rates

-multi-product profit-volume chart

-contribution chart

-limitation of cost volume profit analysis

e) **Incremental Costs:**

-avoidable costs:

-incremental costs, short run decision techniques

f) **Principal Budget/limited Factor**g) **Make or Buy Decision**h) **Discontinuance of Business, Segment or Product Line**i) **Marginal Costing versus Absorption Costing**9. **ACTIVITY BASED COSTING**a) **Deficiencies in Traditional Costing Techniques viz**

-product costing system

-period costing system

b) **Basics of Activity Based Costing**

-cost pools

-cost drivers

-benefits of activity based costing

c) **Activity Based Cost Management**10. **STANDARD COSTING**(a) **Principles of Standard Costing**

-standard performance

-standard hour

-features of standard costing

-types of standards

b) **Preparation of Standard Costs**

-three months period

-one year period

-fixed period longer than one year

-indefinite period

- c) **Establishment of Standard Costing Rates for:**
 -materials
 -labour
 -overhead
- d) **Variance Analysis**
 -material cost variances
 -labour cost variances
 -fixed overhead variances
 -variable overhead variances
 -sales margin variances
11. **BUDGETING AND BUDGETARY CONTROL**
- a) **Principles of Budgeting**
 -budgetary control
 -setting up a budgetary control system
 -administration of budgetary control – budget committee
 -uses of budgetary control
- b) **Management Control Process**
 -setting phase
 -operating phase
 -feedback phase
- c) **Behavioural Consideration of Management Control**
 -motivation
 -goal congruency
 -responsibility centre
 -profit centre
 -expense/cost centre
 -investment centre
- d) **Section of a Master Budget**
 -sales budget
 -production budget
 -plant utilization budget
 -production cost budget
 -material purchases budget
 -labour utilization budget
 -capital expenditure budget
 -labour budget
 -cash budgets

7. (i) Currency Exposure management
 (a) Netting
 (b) Forwarding Contracts
 (c) Currency Borrowings
 (d) Currency Swaps
- (ii) Interest Rate Exposure Management
 (a) Forward Rate Agreements
 (b) Interest Rate Swaps
 (c) Interest Rate Futures
 (d) Interest Rate Options
8. Asset and Liability Management
 (a) liquidity Management
 (b) Stress Liquidity Management
 (c) The other elements of Asset and liability Management

RECOMMENDED TEXTS

Managerial Finance. Gitman L (8th Edition)
 Financial Management. Correia et al (3rd Edition)
 Corporate Finance & Theory of Investment - Modigliani, Franco & Miller
 International Finance & Investment - Multinational Corporate Banking -GIB
 Publishing An Introduction to the Foreign Exchange and Money Markets BPP
 Training and Consultancy Settlement Risk in Foreign Exchange Transaction – BIS
 March 1996 Guidelines for Foreign Exchange Trading Activities – FRBNY;
 January 1996 Introduction to Foreign Exchange and Money Markets -
 ACI Foundation Programme Calculations Work Book. Julian Walmsley
 Askeaton Press.

ADVANCED CORPORATE FINANCE

The Nature of the Subject

This syllabus is designed to enable candidates to show that they have a good understanding to the more advanced aspects of Corporate Finance and is a follow on from the subject examined at the Intermediate level.

Aims and Objectives of the Examination

To further develop the knowledge of candidates operating or wishing to operate in a Corporate Finance environment

Syllabus

Candidates should note that It is not the intention to examine subject areas shown below' individually- Rather, answers will provide the opportunity for candidates to demonstrate their knowledge and abilities of the whole of the syllabus or at least, those areas that are appropriate to the question The examination will cover the following areas

3. Forex Cash Management
 - (a) Position vs. cash flow
 - (b) Funding alternatives
 - (c) Short
 - (d) Medium
 - (e) long
4. Cost Centre/Profit Centre
 - (a) financial planning and control
 - (b) capital budgeting
 - (c) capital budgeting: risk analysis
5. Control of Dealing Operations
 - (a) need for internal controls within the treasury
 - (b) financial risks
 - (c) operational
 - (d) internal and external controls
 - (e) structure of treasury
 - (f) front, middle, back office
 - (g) segregation information
 - (h) netting
6. Derivatives
 - (i)(a) Introduction to the Derivatives market
 - (b) Basic concepts - futures
 - options
 - swaps,
 - exotics
 - (c) Elementary hedge application
 - (ii) Futures Market
 - (a) Mechanics
 - (b) Pricing of financial futures
 - (c) Devising a hedging strategy
 - (iii) Options Market
 - (a) Mechanics
 - (b) Fair pricing of an option
 - Put-Call option
 - Black-Scholes pricing modes
 - Estimation of price volatility
 - Sensitivity of option premiums
 - (c) Speculation v hedging with option
 - (iv) SWAPS
 - (a) The base
 - (b) Funding interest rates from swaps
 - (c) Forward Swaps
 - (d) Extensions v broken dates

- e) **Budget Summaries**
 - projected profit and loss statement
 - project balance sheet
 - projected cash/flow statement

12 **CAPITAL BUDGETING**

- a) **Profitability and Growth**
 - long term nature of investment appraisal
 - allocating process
 - corporate strategy
 - capital investment appraisal criteria
- b) **Ranking Investment Proposals**
 - payback
 - discounted payback
 - ballout payback
 - return on investment
 - present value
 - net present value
 - internal rate of return (IRR)/DCF yield
- c) **IRR Pitfalls viz**
 - lending and borrowing
 - multiple rates of volume return
 - mutual exclusive
 - finesse the terms structure of internal rate
 - implication of taxation
 - capital rationing
 - profitability index

RECOMMENDED TEXTS

Management and Cost Accounting – Collin Drury – Thompson (4th Edition)

Costing – T A Lucey, Fourth Edition – DP Publishing

Introduction to Management Accounting – Hongren – Prentice HLL

**INSTITUTE OF BANKERS OF ZIMBABWE
EXAMINATION SYLLABUS
DIPLOMA LEVEL
PRACTICE OF BANKING II
The Nature of the Subject**

This syllabus has been devised to enable candidates to show that they have a good understanding of credit

assessment techniques and that they can demonstrate their ability in writing, to reason their way to a decision

on whether or not to lend

It covers most types of lending that will be encountered in day to day lending situations, involving personal customers, small and medium sized business (including partnerships and limited companies) to quite large businesses.

Candidates will be required to demonstrate their understanding not only of the needs of the customer, but also to identify those needs from the situations that are presented, to show an understanding and ability to comment on accounting statements, the factors that create credit risk, the control of credit risk and the appropriateness of differing forms of security.

Aims and Objectives of the Examination

To enable the candidates to demonstrate their understanding of the techniques of good understanding of credit assessment with particular emphasis on evaluating the risks associated with lending to personal customers and the smaller or medium sized business.

The Examination

The examination will last for three hours plus fifteen minutes reading time at the beginning, during which period candidates may write on their Question Papers but not on their Answer Books.

Candidates should note that one of the Questions maybe Multiple-choice, in which case such Question will be compulsory

Non-programmable calculators that are silent in operation may be used in this examination.

Syllabus

The examination will cover the following areas. Candidates should note that it is not the intention to examine subject areas shown below individually. Rather, answers will provide the opportunity for candidates to demonstrate their knowledge and abilities over the whole of the syllabus or at least **those areas that are**

RECOMMENDED TEXTS

Retailing of Financial Services: CIB/Bankers Books

The text above is the main study text used by candidates for the CIB Examination. It is advised that candidates should undertake further reading in order to gain the maximum benefit from the course. With this in mind, the following texts have been identified:

TREASURY MANAGEMENT 11 SYLLABUS

The Nature of the Subject

This syllabus is designed to enable candidates to demonstrate ability to operate within a financial institution's Treasury Division.

Aims and Objectives Of The Examination

To ensure the candidates understanding of the role and structure of a Treasury Domestic and Forex, Cash Management, Bank supervision and regulation, Financial and Non-Financial Risks.

Understand the theory of investments and portfolio management.

Syllabus

Candidates should note that it is not the intention to examine subject areas shown below individually. Rather, answers will provide the opportunity for candidates to demonstrate their Knowledge and abilities over the whole of the syllabus or at least, those areas that are appropriate to the question. The examination will cover the following areas:

1. Function of Treasury
 - (a) The role of strategy in dealing: strategic
 - tactical
 - operational
 - (b) Centralised vs. decentralised
2. Domestic Cash Management
 - (a) What is cash management, why is it important?
 - (b) Objectives of C M
 - (c) Cash flow cycle
 - (d) Electronic cash management (ECM)
 - (e) Cash flow budgeting or forecasting

9. Product Management
- (a) Influences on product strategies
 - (b) Product planning
 - (c) Product life cycles and Boston Consulting Group matrix
 - (d) Directional policy matrix
 - (e) New product development
 - (f) Product modification/development
 - (g) Product elimination
 - (h) The role of the branch in product management
10. Promotion
- (a) Developing the promotional mix in financial services
 - (b) Advertising
 - (c) Publicity
 - (d) Sponsorship
 - (e) Sales Promotion
 - (f) Direct Mail
 - (g) Corporate identity
 - (h) The role of the retail outlet in promotional management
11. Pricing
- (a) The pricing of services
 - (b) The role of the retail outlet in pricing
12. Sales Management
- (a) Characteristics of 'successful' sales people
 - (b) Selling skills
 - (c) The selling process
 - (d) Sales training
 - (e) Compliance:
 - Identifying regulated and non-regulated products
 - [note: detailed knowledge of compliance legislation etc will not be required]
 - (f) Sales management
 - recruitment
 - remuneration
 - motivation
 - (g) The role of the branch in sales management
13. Service Quality
- (a) Defining service quality
 - (b) Customer care
 - (c) Service delivery
 - (d) Measuring and monitoring service quality
 - (e) Management overlap
 - (f) The role of the branch in service delivery
 - (g) Customer retention studies

appropriate to the question

1. General background

Candidates will be required to demonstrate their understanding and ability to see the need for and apply good credit risk control. The questions will provide opportunities to show candidates' knowledge of the theoretical and practical issues raised by the question and how these can be dealt with.

2. Accounting Statements

Candidates will be required to interpret and criticise for lending purposes various forms of accounting statements. These will include.

- Balance Sheets
- 10
- Profit & Loss Statements
- Cash Flow Statements
- Budgets and Cash Flow Forecasts

3. General understanding of Lending and Decision Making

Candidates will be required to provide a reasoned assessment of lending propositions and produce a decision or recommendation.

4. Security and Conditions of Lending

an appreciation of the general nature of security and what, if any, may be appropriate to the lending proposition which is set in the question.

Candidates will also be required to show that they have taken into account and explained to the customer the terms and conditions for the provision of the lending, which includes what fees and interest rates charged and how this have been arrived at.

5. Different types of Business

Questions will, from time to time, cover varying types of business customers. Candidate will be required to show that they understand the needs of the particular customer with which they are dealing. These customers will include:

- retailers
- service industries
- wholesalers
- manufactures
- farming and farmers

building and builders

- franchising
- the needs of Professionals such as Doctors, lawyer etc
- questions on other businesses may be set

6. Personal Customer

Questions will be set on advances to personal customers. These may include bridging loans and other commonly requested forms of advance

7. Other Services

Questions may be set on other more specialist services provided by banks which may be appropriate or which may add value and could be marketed in lending situations.

RECOMMENDED TEXTS

Interpretation of Balance Sheets – Hutchinson & Dyer CIB

Lending – K Chenkley FCIB, CIE 1997

Applied Lending Techniques – Rouse CIB 1998

Banker Lending Techniques – Rouse CIB 1998

4. The Competitive Environment for Retail Distribution Channels
 - (a) Competitive strategies of financial services retailers
 - (b) Identifying key competitors
 - Traditional
 - Non-traditional
 - (c) Determining key competitors' objectives
 - (d) Identifying key competitors' strategies
 - (e) Assessing key competitors' strengths and weaknesses
5. Consumer Buying Behaviour and Segmentation
 - (a) Buyer behaviour for services
 - (b) Buyer behaviour for financial services
 - (c) Attitudes towards credit and debt
 - (d) Attitudes towards savings and investments
 - (e) Market segmentation
 - at national level
 - at local level
6. Distribution: Outlet Location
 - (a) Outlet location and outlet network
 - (b) Outlet valuation procedures
 - (c) Opening an outlet
 - (d) Decisions to close an outlet
 - (e) Centralised operational support
 - (f) Locating ATMs
 - (g) Locating temporary outlets
7. Distribution: The Retail Outlet Environment
 - (a) The changing role and face of outlet design
 - (b) The evolution in outlet design
 - (c) Merchandising
 - (d) Outlet design and reconfiguration programmes
 - (e) Key considerations an outlet design
 - (f) Measuring design performance
 - (g) Evaluating the outlet environment
8. Distribution: Other Channels
 - (a) Direct sales forces
 - (b) Telephone based channels
 - (c) Direct response advertising
 - (d) ATMs
 - (e) EFTPOS

Syllabus

The examination will cover the following areas. Candidates should note that it is not the intention to examine subject areas shown below individually. Rather, answers will provide the opportunity for candidates to demonstrate their knowledge and abilities over the whole of the syllabus or at least, those areas that are appropriate to the question.

1. Definition of retailing (i.e. personal and small business sectors)

- (a) -The retailing analogy
- (b) -The retailing mix

2. Marketing Planning for Retail Outlets

- (a) -The marketing planning process
- (b) Relationship with Head Office/Regional/retail outlet marketing plans

The retail outlet marketing plan:

- setting objectives
- marketing audit
- SWOT
- objectives and strategies
- differentiation
- the branch marketing mix
- budgets/resources
- implementation
- evaluation

3. The Financial Environment

- (a) The national environment
 - personal income and wealth
 - socio-economic practical and demographic trends
 - regulation and compliance
 - information technology
 - internationalisation
 - market sizes, structures and trends
- (b) The local environment
 - PEST analysis at outlet level

**INSTITUTE OF BANKERS OF ZIMBABWE
EXAMINATION SYLLABUS
DIPLOMA LEVEL**

FINANCE OF INTERNATIONAL TRADE 2

The Nature of the Subject

This syllabus has been designed to provide candidates with an advanced knowledge of various financial aspects of International Trade

Aims and Objectives of the Examination

To enable candidates to demonstrate their knowledge of the principles, documentation and financing of

International trade and the exchange control regulations pertaining thereto.

Syllabus

Candidates should note that it is not the intention to examine subject areas shown below individually. Rather, answers will provide the opportunity for candidates to demonstrate their knowledge and abilities over the whole of the syllabus or at least, those areas that are appropriate to the question.

The examination will cover

the following areas:

1. Principles of International Trade

- (a) export markets
- (b) risk assessment and decision-making
 - credit risk
 - country risk
 - currency risk
- (c) services offered by banks
 - correspondent banking
 - raising finance

2. Trade Documentation

- (a) commercial documents
 - (b) insurance: types of insurance
 - (c) transport documents: types
 - shipping terms
 - risk
 - (d) GATT
 - (e) future trends
- FEDI EDI: implications for document movement

3. Collections

- (a) sight and term BES (clean collections)
- (b) documentary collections
- (c) payment of collections
- (d) non-payment/non-acceptance
- (e) action to be taken (advise foreign banks, note and protest case of need)

4. Documentary Credits

- (a) parties to a credit and their roles
- (b) types of credits
- (c) procedure for the establishment of a credit
- (d) credit risk assessment
- (e) indemnities
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- (f) cash cover
- (g) refinancing arrangements
- (h) revolving credits; counter credits
- (i) amendments to credit
- (j) types of amendments
- (k) who may amend?
- (l) documentary credits
 - role of the ICC - UCP DC
 - issue of credit
 - negotiations of credits
 - acceptance credit lines
 - clauses on credits
- (m) payment of a credit:
 - documentation
 - discrepancies
 - issuance credits
 - discharge
 - expiry

5. Finance: Export and Import Finance

- (a) counter trade
- (b) forfeiting
- (c) factoring
- (d) bank guarantees
- (e) Bas
- (f) Eurocurrency finance
- (g) bridging accounts
- (h) foreign currency overdrafts
- (i) export credit schemes/subsidised finance/CGIC

6. Foreign Exchange

- (a) risk protection
- (b) factors determining rates (leads/lags supply/demand)
- (c) Central bank role

7. Exchange Control

- (a) imports
- (b) exports

- (c) customer foreign currency accounts
- (d) asset swaps

Recommended Texts

Finance of International Trade - Watson A - CIB 6th Edition)
 The Foreign Exchange Market - Potgieter, *Falkena*, Kok and Van Ettinger:
 Southern Book Publishers 1991
 Foreign Exchange Controls, Ernst & Young
 Multinational Business Finance - A Stonehill and Moffett
 International Finance - The Markets and Financial Management of Multinational
 Business- Maurice D Levi
 (3rd Edition) New York - McGraw-Hill 1996
 Money in International Exchange: The convertible Currency System, Oxford - I
 McKinnon (Oxford
 University Press 1979)
 Multinational Finance - Buckley - Prentice Hall 1996

RETAILING OF FINANCIAL SERVICES**RETAILING OF FINANCIAL SERVICES****Nature of the Subject**

Provides a comprehensive framework for the application of marketing theory and concepts to the retailing of financial services, focusing on the personal sector and small business markets and will enable candidates to evaluate critically the competitive retail strategies of financial services organisations, and to develop, implement and evaluate a bank marketing plan with the emphasis on local and operational issues. Covers marketing planning for retail outlets and the relationship with regional/head office offices: the national and local financial environment the competitive environment for retail outlets: consumer buying behaviour and segmentation, distribution - retail outlet location, retail outlet environment, and other channels: product management, promotion: pricing; sales management; service quality.

Aims and Objectives of the Examination

To provide a comprehensive framework for the application of marketing theory and concepts to the retailing of financial services focusing on the personal sector and small business markets.

To enable students to evaluate critically the competitive retail strategies of financial services organisations.

To enable students to Develop implement and evaluate a retail outlet marketing plan with the emphasis on local and operational issues.