

041206T4BFN

BANKING AND FINANCE LEVEL 6

BUS/OS/BF/CR/09/6

Manage Electronic Banking

March/April 2026



**TVET CURRICULUM DEVELOPMENT, ASSESSMENT AND CERTIFICATION
COUNCIL (TVET CDACC)**

WRITTEN ASSESSMENT

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATE

1. This paper consists of **TWO** sections: **A** and **B**.
2. Answer **ALL** questions in section A.
3. Answer question **ELEVEN** (11) and any other **TWO** (2) questions in section B.
4. Marks for each question are indicated in the brackets.
5. Candidates are provided with a separate answer booklet
6. Do not write on the question paper.

This paper consists of FOUR (4) printed pages

**Candidates should check the question paper to ascertain that all pages
are printed as indicated and that no questions are missing.**

SECTION A (40 MARKS)

Answer ALL the questions in this Section.

1. A customer intends to open a company account at a commercial bank. Identify FOUR documents that the customer may be required to provide at the bank. (4 Marks)
2. The documentation verification method involves counter-checking customer documents against a checklist developed by a bank. State FOUR advantages of documentation verification method at the bank. (4 Marks)
3. Online account activation is one of the methods used by banks for account activation. State FOUR reasons for using online account activation by banks. (4 Marks)
4. A Service Level Agreement (SLA) is a contractual arrangement between two or more parties based on assumptions, state FOUR assumptions that parties make in this agreement. (4 Marks)
5. Under Service Level Agreement, when service delivery falls significantly below the agreed standards, the agreement is considered breached. State FOUR consequences of breaching this agreement. (4 Marks)
6. Customer instructions are requests or directions given by customers to a bank regarding the services they require. Name FOUR advantages of receiving customer instructions by the bank. (4 Marks)
7. Banks use various methods to inform customers that their service requests have been successfully processed and completed. Identify FOUR ways through which a bank communicates to customers about their service request actioned. (4 Marks)
8. Variance can be classified based on whether actual results are better or worse than expected. Identify TWO types of variances. (4 Marks)
9. According to Basel requirements, financial institutions are required to conduct proper credit appraisal to minimize the risk of loan default. State FOUR effects of loan defaults on financial institutions. (4 Marks)
10. When a borrower fails to repay a debt, financial institutions have several options for recovering the owed money. Name FOUR options available for recovering debt in financial institutions. (4 Marks)

SECTION B (60 MARKS)

Answer question ELEVEN (11) and Any other TWO (2) Questions in this section.

11. BlueWave Bank has entered into a Service Level Agreement (SLA) with a technology service provider to manage its online banking platform. The SLA outlines the obligations of both parties, including the scope of services, service provider responsibilities, customer requirements, and mechanisms for managing service requests.

The SLA includes the agreement overview, goals and objectives, stakeholders, periodic reviews, service agreement details, and service management protocols. Compliance with the SLA is critical to avoid breaches that could lead to costly lawsuits, damage the bank's reputation, or result in losing key service providers. BlueWave Bank believes that properly implemented SLAs strengthen relationships with service providers, attract new business, improve ethics, and ensure clarity in communication.

- a) Explain FIVE features of the Service Level Agreement implemented by BlueWave Bank and their significance. (10 Marks)

- b) Discuss FIVE benefits of the Service Level Agreement for BlueWave Bank.

(10 Marks)

12. XYZ Services Ltd has been operating under a Service Level Agreement (SLA) that has been in place for several years. Due to changes in technology, customer expectations, and industry standards, the management has decided to implement changes to its operational processes and update the existing SLA.

- a) Explain FIVE ways that XYZ Services Ltd should follow to effectively implement the change. (10 Marks)

- b) Discuss FIVE advantages of changing the Service Level Agreement (SLA).

(10 Marks)

13. ABC Bank frequently receives customer queries and complaints related to its products and services. The management believes that resolving customer complaints in line with bank procedures is an important aspect of good customer relationship management. Proper handling of complaints has helped the bank improve customer satisfaction, loyalty, and overall service delivery.

a) Explain FIVE benefits of solving customer queries and complaints at ABC Bank.

(10 Marks)

b) Describe FIVE steps used by ABC Bank to resolve customer queries and complains.

(10 Marks)

14. Wazo bank has noted an increase in the number of customers whose loan accounts appear in the default section of the credit repayment report. As a result, many customers classified as high-risk debtors are being denied new loans. Management is concerned about the factors contributing to loan default and is exploring measures to minimize future default cases.

a) Explain FIVE factors that can cause credit or loan default by Wazo bank's customers

(10 Marks)

b) Discuss FIVE measures that Wazo bank can adopt to minimize loan default.

(10 Marks)