



ZIMBABWE

**MINISTRY OF HIGHER AND TERTIARY EDUCATION,
INNOVATION, SCIENCE AND TECHNOLOGY
DEVELOPMENT**

**HIGHER EDUCATION EXAMINATIONS COUNCIL
(HEXCO)**

NATIONAL DIPLOMA

IN

BANKING AND FINANCE

SUBJECT: Practice of Banking

PAPER NO: 524/15/S02

DURATION: 3 Hours

NOVEMBER/ DECEMBER 2025 EXAMINATION

REQUIREMENTS

INSTRUCTIONS TO CANDIDATE

- 1. Answer any five questions.**
- 2. All questions carry equal marks.**

QUESTION 1

- a) Explain the following terms as they are used in practice of banking:
- i) Set- off (5 marks)
 - ii) Sequestration (5 marks)
- b) Explain the exceptions to the banker's duty of confidentiality in the banker- customer relationship. (10 marks)

QUESTION 2

Describe the five (5) Cs of credit assessment used by banks in advancing loans. (20 marks)

QUESTION 3

Discuss five (5) requirements for opening accounts of Trusts and foundations clearly highlighting the need for such. (20 marks)

QUESTION 4

Discuss any five (5) importances of ethics in the banking industry. (20 marks)

QUESTION 5

Identify and explain five (5) advantages and disadvantages of electronic payment systems. (20 marks)

QUESTION 6

- a) Discuss how liquidity and profitability ratios are used in the granting of loans by banks. (10 marks)
- b) Explain the precautions to be taken by banks when accepting collateral. (10 marks)

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