

# Content areas for the Comprehensive Exam

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The candidates are required to prepare themselves for the exam in the given areas of each subject

## Business Communication in Financial Services

- Concept of communication and its channels within the business context
- Use of various types of communication skills within a business environment
- Effective interface and the importance of communication with the internal and external stakeholders in a finance industry
- The ethical standards and practices within communications

## Branch Banking

A thorough knowledge of the following:

- functions of a bank branch
- the services and products
- operations of a bank branch
- the role of different people in the branch
- the significance of centralized operations
- negotiable instruments and endorsements

A clear understanding of:

- Branch Banking Products:
  - Account Services
  - Loan Products
  - Remittances
  - Lockers
- Definitions of the following terms:
  - Clearing
  - Cash Counter
  - Account Operations
  - Internal Control
  - Compliance

## Introduction to Financial Systems and Banking Regulations

- Knowledge and understanding of:
  - The banking industry as a whole and in particular Pakistan, its history, structure
  - Players and financial institutions
  - Banking sector in Pakistan and its reforms
  - Role of the regulator

- Knowledge of financial systems and financial instruments
  - Government securities, bonds, term finance certificates, sukuk etc
  - Discount Rate, LIBOR and other international and local benchmark rates
  - Credit ratings and risk evaluation
- Knowledge and understanding of the following:
  - Prudential Regulations
  - Banking Companies Ordinance
  - F.E. Manual

## Information Technology in Financial Services

Good understanding of the following concepts

- Significance of IT in banking
- IT infrastructure used in banking
- IT Security and Risk Mitigation
- Business Continuity Planning
- Disaster Recovery and Management

Understanding of how various electronic banking services work, such as:

- E-Banking
- Telephone Banking

## Economics

Knowledge and understanding of:

- Basics of Microeconomics i.e. resources and allocation, demand, supply, opportunity cost and the market place
- Basic framework of Macroeconomics, i.e. national income, inflation, unemployment, exchange rates and trade balances
- Money and its functions
- The demand and supply of money

Understanding of the role of monetary authority of a country in pursuing the monetary targets/mandates and the methods it employs to pursue the mandate.

Identify and interpret the channels through which the monetary policy affects the economy.

Demonstrate the ability to understand the objectives of monetary policy and fiscal policy and how the Central Bank applies this concept.

Understand the coordination of monetary policy with the fiscal policy and the exchange rate policy.

## Financial Accounting

Applicative knowledge and understanding of:

- Types of accounts and accounting cycle
- Accounting treatment and accounting classifications
- International accounting principles and financial reporting standards
- Preparation and presentation of financial information
- Preparation of financial statement and its analysis
- Capacity to process data, analyze and interpret the financial information and risks

## Human Resource Management and Organizational Behavior

Applicative knowledge and understanding of:

- The role of HRM in the career of a non-HRM employee
- Best practices of business ethical standards and organizational code of conduct
- The importance of organizational behavior
- Employee motivation techniques
- Different concepts related to leadership and decision making
- Different concepts related to managing conflict, stress, and communication
- Functional knowledge of the following processes:
  - Recruitment and selection
  - Organizational development and training
  - Compensation and protection
  - Performance appraisals and career planning
  - Skills management
  - Succession Planning

## Lending: Products, Operations and Risk Management

Applicative knowledge and understanding of:

- Types and structures of financing facilities available in the market
- Various kinds of ownership structures
- Importance of evaluating customer's business – nature, size, and inherent risks
- The concepts of re-scheduling and re-structuring of borrower accounts
- Account, asset and collateral monitoring, systems and post disbursement processes
- Types and sources of risks in financing operations
- Identification, types and legal handling of fraudulent cases
- Financial controls and supervisory regulations
- Regulations prescribing internal control measures for banks
- Loan Loss Provisioning

- Examining customer's risk taking capacity – salient aspects of financial statements like authenticity and credibility of assets, demarcation of free and already pledged assets, realizable value of reported free assets and nature of current and contingent liabilities.

Understanding and functional knowledge of:

- The markup rates, KIBOR, SBP discount rate and PIB rates
- The different approaches to the markup rate structuring process
- Methods and frequency of mark up recovery and impact on income recognition
- Concept of banking spread and debt to liquidity ratio
- Financial Risk Assessment, risk appetite and risk portfolio of the bank
- Assessing customer Integrity and capability via market sources
- Transactions to be financed , identification and capturing of repayment sources

## Management Accounting

Knowledge and understanding of:

- Purpose, role and importance of Management Accounting
- Management accounting concepts
- Valuation tools and techniques
- Application of the management accounting concepts to achieve efficiency and effectiveness in business operations
- Analysis of the internal and external factors to make informed decisions
- Forecasting

## Introduction to Marketing of Financial Services

Applicative knowledge and understanding of:

- Marketing, its philosophy and significance
- The 4 P's – Product, Price, Place and Promotion
- Concept of Services Marketing
- Emerging trends and challenges of global markets
- Social and ethical issues in Marketing
- The scope of effective marketing strategies and programs for financial services
- The concept of brand equity and brand management
- Effective utilization of the concepts of CRM for marketing success
- Citizens and public action to regulate marketing
- Business action towards socially responsible marketing
- Principles of public policy towards marketing

## Finance of International Trade and Related Treasury Operations

Applicative knowledge and understanding of:

- Globalization of trade and its challenges
- Available export and import facilities
- Modes of trade settlement
- Trade transaction due diligence
- Documents required in trade transactions
- Local and international laws and regulations that govern trade

Capacity to assess risks specific to foreign trade

Knowledge and understanding of tools available to hedge risk specific to foreign trade

Knowledge and a basic understanding of trade related treasury operations