



CANDIDATE DETAILS			
Access Number	Roll Number	For Official Use Only	Serial Number
Subject S & ME BANKING			
Candidate's Name			
Father's Name			
CNIC Number			
Cell Number		E-mail	
I verify that my particulars given above are correct and I declare that I have read the INSTRUCTIONS printed in the examination booklet, and/or given in the ISQ Examination Guidelines, violation of which would mean cancellation of my paper and debarment from appearing in future examinations.			
Candidate's Signature		Invigilator's Signature	



THIS PAGE IS INTENTIONALLY LEFT BLANK



The Institute of Bankers Pakistan

ISQ Examination Winter - 2018 Stage III S & ME Banking

SEAL
BOOK
HERE

Section 2
Constructed and Extended
Response Questions

Number of Questions: 8
Marks: 55

Allotted time : 120 minutes



INSTRUCTIONS FOR THE CANDIDATES

1. The candidate must abide by the ISQ Examination Guidelines sent along with the admit card.
2. The candidate must sign the booklet after verifying the particulars and should **NOT** write his/her name or roll number on any other page of the examination booklet.
3. Use of non-programmable scientific calculator is allowed;
4. The candidate is advised **NOT** to approach the invigilators for seeking any explanation related to the questions in the examination paper.
5. Laptops, mobile phones or any other gadgets are **NOT** permitted in the examination hall. **ONLY** simple calculators are allowed except where indicated in the ISQ Examination Guidelines. If any candidate is found in possession of any restricted gadgets or items, his/her examination paper will be cancelled immediately.
6. The candidate must ensure that the examination booklet has all the pages duly numbered. If any page is missing, damaged or not numbered, then return the booklet to the superintendent / invigilator and obtain another booklet.
7. Write your answer **ONLY** in the given space for each question. Anything written outside the given space will not be considered for marking.
8. **ONLY** blue or black ball points are to be used.
9. The candidate must attempt **ALL** questions in the paper.

For Official Use Only										
Marks Obtained	Q.1	Q.2	Q.3	Q.4	Q.5	Q.6	Q.7	Q.8	Total Marks	Total in words
Marker - I										
Q.C										
Scrutiny										
Re-Scrutiny										
Marker- II										

Signatures:

1. Marker - I

2. QC

3. Scrutinizer

4. Re-Scrutinizer

5. Marker - II



Q1.

A. Enlist the reasons due to which S & MEs face difficulty in obtaining financing from banks. (2 Marks)

B. Elaborate the steps taken by State Bank of Pakistan to remove the above difficulties. (3 Marks)



Q2. Explain the classification and provisioning requirements for Small & Medium Enterprises Financing according to the Prudential Regulations for Small and Medium Enterprises Financing issued by State Bank of Pakistan with respect to the following categorizations: (8 Marks)

- A.** OAEM
- B.** Substandard
- C.** Doubtful
- D.** Loss



Q3. While SBP is actively spreading awareness regarding S & ME Financing Policy and Refinancing Schemes, banks are also required to participate in the campaign.

In light of the guidelines issued by State Bank Pakistan, discuss how a bank can create awareness about S & ME Finance Policy and what steps should the bank take? (5 Marks)



Q5. Describe FIVE Non-financial advisory services to S&MEs offered by commercial banks. (5 Marks)

Blank lined area for writing the answer.



Q6. Write main features of Credit Guarantee Scheme for Small and Rural Enterprises offered by SBP to encourage S & MEs. (5 Marks)



Q7. Describe with example the TWO main lending techniques available to lending institutions to assess the creditworthiness of a borrower. (5 Marks)

Q8. Following are the financials of M/s. 'QS' a medium size company:

'QS'		
Statement of Financial Position		
As on June 30, 2018		
	2018	2017
	----- Rupees -----	
Equity & Liabilities		
Capital	270,636	225,048
Long term loan	22,500	-
Liabilities against leased assets	4,344	-
Creditors	11,091	14,463
Current Maturity of long term loan	7,500	-
Current Maturity of liabilities against leased assets	3,339	-
	319,410	239,511
Assets		
Fixed assets	184,434	160,458
Stores & spares	29,688	17,559
Stock	13,116	8,238
Trade debts	29,721	19,929
Advances, deposits & other receivables	45,069	20,445
Cash	17,382	12,882
	319,410	239,511
'QS'		
Statement of Comprehensive Income		
For the period ended June 30, 2018		
	2018	2017
	----- Rupees -----	
Sales	303,561	273,024
Cost of Sales	218,454	204,087
Gross Profit	85,107	68,937
Administrative Expenses	24,681	28,635
Selling Expenses	8,682	8,034
Financial Charges	3,090	369
	36,453	37,038
Profit before tax	48,654	31,899
Provision for Tax	27,162	22,974
Net Profit	21,492	8,925



A. You are required to calculate the following ratios for both years. (10 Marks)

- i. Gearing ratio
- ii. Stock turnover in days
- iii. Payable turnover in days
- iv. Receivable turnover in days
- v. Cash conversion cycle

B. Comment on the financial position of the company based on your calculations.
(7 Marks)



X --- END OF SECTION --- X



THIS PAGE IS INTENTIONALLY LEFT BLANK