



CENTRAL UNIVERSITY COLLEGE

END-OF-FIRST SEMESTER EXAMINATION: 2014/2015

DEPARTMENT OF FINANCE

SBBF 305
ELECTRONIC BANKING AND INNOVATION

LEVEL 300

MATAHEKO & MIOTSO CAMPUS

6 February, 2015

3 Hours

STUDENT ID No.....

INSTRUCTIONS

Answer ALL questions from sections 'A' and TWO questions from Section 'B'

DO NOT TURN OVER THIS PAGE UNTIL YOU HAVE BEEN TOLD TO DO SO BY THE

Section A- (40 Marks)
ANSWER ALL QUESTIONS IN THIS SECTION

Question 1

- (a) What is E-banking? *(1 mark)*
- (b) State and explain one importance of E-banking to each of the following:
- i. The bank *(1 mark)*
 - ii. Customers *(1 mark)*
 - iii. Government *(1 mark)*
- (c) What is a Phishing in e-banking? *(1 mark)*
- (d) State two (2) objectives of an E-banking Audit (2 marks) **[Total: 7 marks]**

Question 2

Differentiate between the following :

- (a) transactional and informational websites *(4 marks)*
- (b) debit card and cash card *(4 marks)*
- (c) credit card and charge card *(4 marks)* **[Total: 12 marks]**

Question 3

Identify and explain five (5) electronic banking delivery channels. *(5 marks)*

[Total: 5 marks]

Question 4

- (a) What are the four major components of a finance portal? *(4 marks)*
- (b) What is an intrusion detection system? *(2 marks)*
- (c) Explain the term Legacy System. *(2 marks)*
- (d) What is meant by core banking processing system? *(2 marks)*

[Total: 10 marks]

Question 5

1. (a) What is a Content Management System? *(2 marks)*
- (b) Differentiate between the two (2) components of a Content Management System *(4 marks)*

[Total: 6 marks]

SECTION B [60 MARKS]
Answer question One and any other one

Question 1

- (a) A bank could have a **third-party e-banking program** or an **in-house e-banking program**. What is the main difference between these two configurations? (5 marks)
- (b) In the configuration of an e-banking system, the institution's *internet service provider* hosts the institution's website, *Internet banking server*, *firewall*, and *intrusion detection system*. The bank can also have *automated decision support systems* to strengthen the e-banking program

Explain the role of the following in e-banking program.

- | | | |
|--|-----------|-------------------|
| (i) internet service provider | (5 marks) | |
| (ii) Internet banking server | (5 marks) | |
| (iii) firewall | (5 marks) | |
| (iv) intrusion detection system | (5 marks) | |
| (v) automated decision support systems | (5 marks) | [Total: 30 marks] |

Question 2

Explain each of the following terms related to an e-banking program:

- | | | |
|---|-----------|-------------------|
| (i) Business risk | (5 marks) | |
| (ii) Network administrator | (5 marks) | |
| (iii) Broadband and dial-up internet connection | (5 marks) | |
| (iv) Partner relationship management | (5 marks) | |
| (v) Strategic risk | (5 marks) | |
| (vi) Quality assurance | (5 marks) | [Total: 30 marks] |

Question 3

In order to develop a successful e-banking program, the bank must take into consideration certain perspectives. As the Head of E-banking Programs at Excellence Consultancy, explain the following perspectives as customer of Nanaba Commercial Bank Limited who is interested in e-banking.

the following:

- | | | |
|-------------------------------|-------------|-------------------|
| (a) Customer perspective | (7.5 marks) | |
| (b) Institutional perspective | (7.5 marks) | |
| (c) Technical perspective | (7.5 marks) | |
| (d) Environmental perspective | (7.5 marks) | [Total: 30 marks] |

Question 4

- (a) State two non electronic innovations in the banking industry *(2 marks)*
- (b) Explain the following terms in auditing of electronic banking
- (i) Audit independence *(4 marks)*
 - (ii) Internal audit program *(4 marks)*
 - (iii) Audit plan *(4 marks)*
- (c) Identify and discuss four (4) benefits of e-banking development in Ghana. *(16 marks)*

[Total: 30 marks]