BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF INTELLIGENCE AND SECURITY STUDIES

OCT 2024

COURSE   :   Money Laundering

CODE   :   FI 404

DATE   :

TIME ALLOWED: 3 Hours

TOTAL MARKS   :   100

INSTRUCTIONS TO CANDIDATES

Answer any four questions

All questions carry equal marks

The question paper has 3 pages

Each answer should be on a fresh page and every page must be numbered

Cell phones are not allowed into the examination room

Notes, handouts and Textbooks are not allowed into the examination room.

Question 1

a) Give the generic definition money laundering and explain its three elements. (15 marks)

b) Discuss any one of three stages in money laundering (5 mark)

Total 25 marks)

Question 2

Discuss giving an example each of the following terms:

a) Legal economy (5 marks)

b) Illegal economy (5 marks)

c) Organized crime (5 marks)

d) Predicate offence (5 marks)

e) The financial industry (5 marks)

(Total 25 marks)

Question 3

Briefly explain the meaning of the following five terms which describe the essence of money laundering: 'converting', ' transferring' , 'disguising', proceeds of crime , and 'source'.

(25 marks)

Question 4

Explain fully, the four major risks to an economy associated with Money Laundering.

(25 marks)

Question 5

a) Explain the 3 basic steps of 'customer due diligence' (CDD) set out in both the Basel Committee & the Financial Action Task Force (FATF) Statutes on Banking Supervision.

(15 marks)

b) Over the years, a list of red flags of possible money laundering activity has emerged. Give two examples of most common triggers of suspicion of possible laundering in a bank set up. (10 marks)

Total 25 marks)

Question 6

Zimbabwe's AML law act is benchmarked on three AML pillars. Discuss these in accordance to Reuter and Truman (2004).   **(25 marks)**

End of paper