

Course No: ACC 3306
Course Title: Banks & Financial
Institutions Accounting
Date: 00/00/2013
No. of Questions: (4)
Time: 1hours
Using Calculator (Yes)

University of Palestine



Midterm Exam
2013/2014
Total Grade:

Instructor Name: Miss Laila Aldoor
Student No.: _____
Student Name: _____
College Name: Business & Finance
Dep. / Specialist: Accounting English
Using Dictionary: (No)

Question One: (5 Marks)

Put "√" or "X" in the bellow box:

- 1- "Direct control" depends on the extent of response of banks to the central bank and political leadership to direct the bank work towards certain economic sector.
- 2- Banker's clearing house is one of the central bank objectives.
- 3- "Mudaraba" is where the bank contributes the finance and the client provides the expertise.
- 4- The central bank influences the economy on the microeconomic when regulating inflation.
- 5- "Current account" is the same at commercial banks and Islamic banks.
- 6- Making good loans id one of the commercial banks objectives.
- 7- "Specialized banks" work in monopoly environment, while commercial banks work in competitive environment.
- 8- Paying cheques is one of the main treasury functions.
- 9- Prohibition of interest is one of the basic principles of Islamic banks.
- 10- Rate of deposits decided by the banks board of directors.

1	2	3	4	5	6	7	8	9	10

Question Two: (3 Marks)

A- What are the main forms of lending at Islamic banks?

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B- Compare the direct financing with the indirect financing.

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C- Compare specialized banks with commercial banks.

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Question Three: (8 Marks)

A trust bank started a business with capital of \$ 10,000,000, it deposited half of the amount at the central bank, \$ 3,000,000 at Arab bank, \$ 1,000,000 at National bank, and the rest was left hand.

During a certain working day, the following transactions took place:

- 1- Withdrawing \$ 2,000,000 from the central bank, and deposit it at the treasury.
- 2- Trust bank Issue transfer order for the sum of \$ 750,000, from Arab bank to national bank.
- 3- The subsidiary payment fund was provided with \$ 50,000.
- 4- Bank building rent was paid with the amount of \$ 50,000, and amount of stationary were paid with the amount of \$ 10,000.
- 5- Purchased car for \$ 20,000 with a cheque withdrawn on Arab bank.
- 6- Purchased furniture and equipment with the amount of \$ 100,000 cash.
- 7- Receipt subsidiary fund recorded the total amounts of receipts at the end of the day \$ 200,000 , as following:
 - \$ 75,000 Current account.
 - \$ 75,000 Savings account
 - \$ 50,000 Time account
- 8- The payment subsidiary fund recorded the total amount of withdrawals at the end of the day of \$ 150,000 from current account.

Required:

Record Journal entries for all transactions.

	Debit	Credit

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Question Four: (4 Marks)

At the end of the fiscal year of 2008, National banks recorded these accounts:

- 1- Debit interest for the period 2008 is \$ 10,000.
- 2- Investment revenues with amount of \$ 150,000.
- 3- Interest on commercial loans is \$ 150,000.
- 4- Interest on Mortgage loans is \$ 100,000.
- 5- Provisions of loans losses are \$ 100,000.
- 6- General and administrative expenses are \$ 40,000.
- 7- Tax expenses are \$ 85,000.

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Required:

Prepare the Income statement for the national bank for the period of 31-12-2008.

Income statement for National bank at 31-12-2008

Net Profit	

End of Questions
Good Luck