

<p><b>Course No: MGNE 3312</b>  <b>Course Title: banking &amp; Financial operation Manag.</b>  <b>Date:- 29/05/2018</b>  <b>No of Questions: (3)</b>  <b>Time: 2 Hour</b>  <b>Using calculator (yes)</b></p>	<p><b>University of Palestine</b></p>  <p><b>Final Exam.</b>  <b>2<sup>nd</sup> Semester 2017/2018</b>  <b>Total Grade: (50)</b></p>	<p><b>Instructor Name: Mr. Hatem Ismail.</b>  <b>Student No.: -----</b>  <b>Student Name:-----</b>  <b>College Name:-----</b>  <b>Dep. / Specialist:-----</b>  <b>Using Dictionary: (No)</b></p>
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**Question No 1: (4 marks)**

**Write (t) in front of the Right answer & (f) in front of the Wrong answer :**

1. ( ) Loans support the growth of new businesses and jobs within the lender's market area.
2. ( ) The mix, quality, and yield of the loan portfolio are not influenced by regulation.
3. ( ) Sudden changes in accounting methods are considered as signs of good loans.
4. ( ) Commercial and industrial loans represented the earliest form of lending that banks. carried out.
5. ( ) Term business loans are designed to fund short-term business investments.
6. ( ) Card providers also earn discount fees from merchants who accept their cards.
7. ( ) Individual contract interest rates often do not change readily with market conditions.
8. ( ) Disclosure rules mandate telling the lender about the cost and other terms of a loan or lease agreement.
9. ( ) Postpone paying suppliers, so that the period-end cash balance appears higher than it should be is considered an example of window dressing.
10. ( ) Banks are free to submit to the PMA a copy of all reports provided to shareholder about its activities and its financial situation.
11. ( ) PMA has the right to send to bank a warning letter requesting correction of the irregularity.
12. ( ) PMA can't exclude offenders from membership of the bank Governing Council.
13. ( ) PMA decides to liquidate a bank if the extraordinary general assembly of the bank with less than %75 of the shares recommends that.

**Question No.2: (4 marks)**

**Choose the most appropriate answer to each question from the following:**

- 1. The PMA decides to liquidate a bank in the following cases:**
  - A. If decided to cancel the registrations of the bank.
  - B. Cancel or lower the amenities provided to the bank.
  - C. If decided to remove its name from the files.
  - D. A+C.
- 2. Types of C&I Loans are;**
  - A. Project loans.
  - B. Individual loans.
  - C. Residential loans.
  - D. Instalment loans.
- 3. The PMA has the right to hire an authorized official on the banks expenses for the following purposes:**
  - A. to sell the bank or parts of its rights or its branches.
  - B. to protect the bank assets for the good of depositors and lenders
  - C. to suspend the banks participations in the settlement payments system
  - D. A+B.

**4. A written loan policy Should contain;**

- A. Affixed interest percentage.
- B. A goal statement for the entire loan portfolio.
- C. Specific types of collaterals.
- D. Particular consumers.

**5. Banks consider as types of collateral;**

- A. Accounts receivables and factoring.
- B. Inventory and real property
- C. A&B.
- D. Borrower's promise

**6. Business loans are often called**

- A. Individuals loans
- B. commercial and industrial loans
- C. Real estate loans
- D. Agricultures loans

**7. Some of the risks of project loans:**

- A. Large amounts of funds are usually involved
- B. Interest rates may change
- C. Laws and regulations in the region where the project lies may change
- D. All the above

**8. Usually not shown on customer balance sheets are other potential claims against the borrower:**

- A. Guarantees and warranties behind the business firm's products
- B. Fixed assets
- C. Short term liabilities
- D. Net earnings

**9. Consumer loans are classified by**

- A. Purpose of the loan
- B. Type of repayment
- C. A+B
- D. Amount of the loan

**10. Important Items For Lenders are;**

- A. Income Levels
- B. Employment and Residential Stability
- C. Deposit Balances and Pyramiding of Debt
- D. All the above

**11. Some aspects of each credit application that require assessment**

- A. Amount and stability of the borrower's income
- B. The outlook for market interest rates
- C. A+B
- D. The social conditions of the borrower

**12. The PMA has the right to inspect any bank including;**

- A. Verify the integrity of the financial position
- B. The social life of CIO
- C. The personal property of the employees
- D. The personal property of the bank clients

**13. Its obligatory for all banks to submit to the PMA a copy of all reports except;**

- A. Reports and financial data
- B. Life history of the banks personnel.
- C. Copies of auditing financial data
- D. Answers on any issue or topic during the report date

**Question No 3: (24 marks)**

**Answer only six of the next questions**

1. What are the three major questions must a lender consider in evaluating nearly all loan requests?
2. Explain the adversely classified loans and its types.
3. What steps should a lender take when a loan is in trouble?
4. Explain the options of pricing consumer loans?
5. What is customer profitability analysis? What are its advantages for the borrowing customer and the lender?
6. Answer the next question according to loan pricing rule of 78s ;

A customer requests a one-year loan of 5000\$ to be repaid in 12 monthly installments

Customer would also like to repay the loan after only eight months

- a. What interest rebate that the customer is entitled to receive back in sum?
- b. What percent of the finance charges is The lender entitled to keep ?
7. Explain four of the following terms;
  - a. Revolving credit financing .
  - b. Net profit margin (NPM).
  - c. Leverage ratio.
  - d. Installment loans.
  - e. Window dressing.
8. Summarize the course banking & Financial operation Management within no more than one page.

**With best wishes**