

<p><b>Course No: MGNE 3312</b>  <b>Course Title: banking &amp; Financial operation Manag.</b>  <b>Date: -19 /04/2018</b>  <b>No of Questions: (3)</b>  <b>Time: 1 Hour</b>  <b>Using calculator (No)</b></p>	<p align="center"><b>University of Palestine</b></p>  <p align="center"><b>Mid Term Exam. ( 2 ) 2nd Semester 2017/2018</b>  <b>Total Grade: (15)</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. ( ) Commercial banking is the dominant supplier of credit and payments services to businesses and households.
2. ( ) A large money center bank is usually located in a small city and has a focus towards wholesale or wholesale plus retail.
3. ( ) The tendency in recent years has been for most financial institutions to become more simple organizations over time.
4. ( ) The financial inputs and outputs on the Report of Income show how much it has cost to acquire funds and to generate revenues.
5. ( ) The income statement shows the resources and the uses of the banks funds.
6. ( ) The PMA sets the instructions to secure banks accounts confidentiality
7. ( ) Its obligatory for every bank to cut a % 15 of its annual net profit after tax to be saved in the authorized reserve until this reserve is equal to the local bank's capital
8. ( ) Banks free to publish its financial publications with the external auditor report in at least two daily news papers published in Palestine after a prior written approval from the PMA according to specified publications standards by the PMA

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

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

**1. The balance sheet contains**

- |                    |                 |
|--------------------|-----------------|
| A- the assets      | B- the expenses |
| C- the liabilities | D- A+C          |

**2. The Equity Capital of the Banking Firm includes**

- |                             |                                 |
|-----------------------------|---------------------------------|
| A- Common Stock Outstanding | B- Limited Life Preferred Stock |
| C-A+B                       | D- Acceptances Outstanding      |

**3. Net Interest Income equal**

- |  |  |
|--|--|
| A- Noninterest Income – Noninterest Expenses | B- Interest Income – Interest Expenses     |
| C- Interest Income + Noninterest Income      | D- Interest Expenses+ Noninterest Expenses |

**4. Liabilities of the Banking Firm contain**

- A- Fed Funds Purchased
- B- Acceptances Outstanding
- C- Subordinated Debt
- D- All the above

**5. The PMA decides to liquidate a bank in the following cases:**

- A-If decided to cancel the registrations of the bank and remove its name from the files
- B-If the bank is merged or sold to another bank
- C-If the extraordinary general assembly of the bank with more than %75 of the shares
- D- A+C

**6. The PMA has the right to hire an authorized official on the bank's expenses for the following purposes:**

- A- To protect the bank assets for the good of depositors and lenders
- B- To evaluate the bank's financial status, and present it to the general assembly of the bank
- C-A+B
- D- To treat all bank's depositors and lenders equal

**7. Noninterest Income Sources contain**

- A- Fees Earned from Fiduciary Activities
- B- Wages, Salaries, and Employee Benefits
- C- Interest and Fees on Loans
- D- Interest on Short-Term Debt

**8. Interest Income Sources**

- A- Deposit Interest Costs
- B- Taxable Securities Revenue
- C- Trading Account Gains and Fees
- D- Additional Noninterest Income

**Question No 3: (7 marks)**

1. a banking firm anticipated loan losses this year of \$2 million and held \$200 million already in its ALL account. It would take a noncash charge against its current revenues, entering \$2 million in the provision for loan-loss account (PLL) on its Report of Income. After that, the bank subsequently discovers that its truly worthless loans, which must be written off, total only \$1 million . At about the same time suppose that management discovers it has been able to recover some of the funds (say \$3 million) that it had previously charged off as losses on earlier loans.

**Find the Ending Allowance for Loan Losses**

- 2. What are primary reserves and secondary reserves, and what are they supposed to do?
- 3. What trends are affecting the way banks and their competitors are organized today?