AD-477 BANK MANAGEMENT BOĞAZİÇİ ÜNİVERSİTESİ MID-TERM EXAM 12 Kasım 2018

Q(1) (35 marks) The rating company Fitch downgraded Turkey country risk from BB+ to BB an changed the country status from “Stable” to “Negative”. Dollar exchange rate increased from 1$=3,5TL to 1$=6,14TL. An TL interest rates increased from 15% to 25%.

1. List 4 major problems that banks operation in Turkey may face due to this change in exchange rates and interest rates. (10 marks)
2. For any 2 problems you mentioned in a) above explain in detail why and how this change negatively affects the banks. (20 marks)

Q(2) (35 marks) a) List six different intermediation services that commercial banks give to customers b) Explain in detail any 3 of the above services.

Q(3) (30 marks) Prepare a commercial bank a)Balance Sheet and b)Income Statement using your own numbers.