BUS 442 Mid-Term Mazaret

Q (1) (35 marks) You are planning to purchase a house using a mortgage loan where the payments are to be made monthly. The bank offers you a 10-year mortgage loan with a 20% down payment requirement at a monthly interest rate of 1,20%. According to your plan, you will be able to make monthly payments of TL 4,000 equally.

a) What will the cash price of the house that you are planning to purchase be?

b) What is the required single amount to repay the loan just after the 36th payment where the bank charges an early repayment fee of 2%?

Q (2) (30 marks) Prepare a commercial bank “Balance Sheet” using your own numbers.

Q (3) (35 marks) Explain in detail the different types of “Intermediation Services” banks offer to their customers.