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|  **logo_unec** **AZƏRBAYCAN DÖVLƏT İQTİSAD UNİVERSİTETİ** |
| **BEYNƏLXALQ İQTİSADİYYAT MƏKTƏBİ** |
| **BEYNƏLXALQ İQTİSADİYYAT (İNGİLİS DİLLİ) KAFEDRASI**Fənn: Bank işi Müəllim: İsrafil İsgəndərov Qrup: 1042-1081 **Yekun imtahan sualları** |

**Chapter 1**

1. What is banking and nature of financial intermediary?
2. What is the main role of banks? Explain essence of the roles.
3. What is economic function of banks? Explain its importance with example.
4. What are theories of financial intermediation? Explain their essence.
5. What are the benefits of financial intermediation? Explain their essence.

**Chapter 2**

1. What does the banks do? And what are their activities?
2. Which banking services are available? Explain their functions.
3. What are differences and similarities between banks and other financial institutions?
4. What are current issues in banking? Explain their essence.
5. What are responses of banking system to the forces of change?

**Chapter 3**

1. What is traditional versus modern banking? Explain their differences.
2. What is retail or personal banking? Explain its functions and duties.
3. What is Private Banking? Explain its functions and duties.
4. Explain corporate banking services for the firms.
5. Which other types of banking are available? Explain its essence.

**Chapter 4**

1. What is international banking? Explain its reasons and importance.
2. Why do banks go overseas? Explain the main reasons.
3. Explain practice of bank expansion in foreign markets.
4. What are the types of bank entry into foreign markets?
5. What products and services are for the international business?

**Chapter 5 – Central Bank**

1. What means central bank? In addition, what are its functions?
2. What is monetary policy in economy?
3. What is monetary policy functions of a central bank?
4. Explain monetary operations of central bank.
5. What is the importance of central bank?

 **Chapter 6 – Central Bank in practices (in the case of a country)**

1. Describe the main features and explain bank system of the world in the case of a country.
2. What are the functions and role of central bank in the case of a country?
3. How to understand the role of monetary policy with practice in the case of a country?

**Chapter 7 – (Chp 17 Commercial Banks’ Operations / Financial Markets and Institutions by Jeff Madura 11th edition)**

1. Describe functions and bank market structure of commercial bank.
2. How a commercial bank makes and create money through their operations?
3. What are four major sources of commercial bank funds?
4. What alternatives does a commercial bank have if it needs temporary funds?
5. What are the various long-term sources of funds available for a commercial bank?
6. What kind of loan do commercial banks prefer to use more to generate a higher return?
7. Explain what alternatives are there in use of funds except for giving credit.
8. What is the idea behind off-balance sheet in banking? What are some of the more popular off-balance sheet activities?

**Chapter 8 – Asset and Liabilities Management**

1. What do the following terms mean: Asset management? Liability management? Funds management?
2. What are the main functions of Asset and Liabilities Management (ALM) in the banking system?
3. What are three important factors to use by banks for asset-liability management (ALM) system?
4. What forces cause interest rates to change? What kinds of risk do bankers and other financial firms face when interest rates change?
5. What is a gap analysis? How do you measure the interest-sensitive gap? The relative interest-sensitive gap? What is the interest-sensitivity ratio?
6. Explain the concept of weighted interest-sensitive gap. How can this concept aid management in measuring a financial institution’s real interest-sensitive gap risk exposure?
7. What is duration gap analysis? How does duration gap impact on a bank’s net worth when interest rates change?

**Asset and Liabilities Management – chapter 6: asset-liability management: determining and measuring interest rates and controlling interest-sensitive and duration gaps.**

1. **Problem:** About the bank’s interest-sensitive gap, relative interest-sensitive gap, interest-sensitivity ratio and net interest income if interest rates rise or fall
2. **Problem:** About bank's net worth as a result of a decline or growth in interest rates

**Chapter 9 – ( Chp 12 Commercial Bank’s Financial Statement Analysis/ Financial markets and İnstitutions 11th edn by Anthony Saunders, 2011)**

1. How does a bank’s report of condition (statement of financial position) differ from its report of income? Explain elements of each report and relationships between statements.
2. Explain the importance of the financial statement analysis for banks. How many types of analysis are available?
3. If we examine a typical bank’s asset portion of the balance sheet, how are the assets arranged in terms of expected return and liquidity?

**( Chp 12 Commercial Bank’s Financial Statement Analysis/ Financial markets and İnstitutions 11th edn by Anthony Saunders, 2011)**

1. **Problem:** About ratio calculation and analyze the financial status of the bank in accordance with the results.
2. **Problem:** About ratio calculation and analyze the financial status of the bank in accordance with the results.

**Chapter 10 – Credit Management**

1. What are credit operation and system? In addition, explain credit functions.
2. What are principles of bank lending? In addition, explain their essence.
3. Which factors influence credit policy of commercial bank? Moreover, explain their essence.
4. What kind of credit forms do you know? In addition, explain their essence.
5. Explain credit process, loan agreement and credit granting rules.
6. How calculate loan repayment and evaluate credit repayment capacity (or creditworthiness)?

**Chapter 11 – Investment management of Banks**

1. Which instruments do commercial banks use to invest in the securities market?
2. What are the types of investment for commercial banks? Explain their essence.
3. What is the meaning of commercial banks' portfolio behavior? What do banks need to pay attention to when formulating their portfolio?
4. How do banks create their investment goals, policy and strategy?

**Chapter 12 - Bank Liquidity Management**

1. What is bank liquidity? Explain its essence and importance.
2. What are bank's liquid assets and liabilities? Explain their differences.
3. What are the sources of bank liquidity and how does bank manage liquidity?
4. How do banks measure its solvency and liquidity ratios?
5. **Problem: About liquidity ratio calculation and analyze the liquidity condition of the bank in accordance with the results.**

**Chapter 13 - Foreign Exchange Dealing**

1. What is the foreign exchange market and its importance for banks?
2. Who are main participants and market makers in foreign exchange markets?
3. What is currency arbitrage and exchange quotations? How to calculate foreign exchange rates?

**Chapter 14 – Bank Risk Management**

1. What kind of risks do banks face during their operations? Explain their essence.
2. What is the risk management process in banks? How does bank measure risks?
3. What is the essence of capital adequacy? In addition, how to measure it?

**Chapter 15 – Bank Marketing and Sales**

1. What is the role of marketing in banking industry? Explain their importance.
2. What is the marketing structure of bank? Explain the marketing mix in banking sector.
3. How does the commercial bank develop marketing scope at the aspect of service marketing?
4. What are the main trends in marketing strategy in the banking sector?