

1. Which main four types of assets has a bank?
2. What is BASEL III?
3. What is Collective Investment?
4. You have a short-term promissory note payable in 10 months. The nominal value of the note is now 15,000.00 and the interest rate guaranteed by this IOU is 5.5% p.a.. One month later you will decide to sell the promissory note in the market at discount rate of 11% p.a. How much will you obtain from your short-term promissory note? How long must you hold the IOU if you like to sell it at least for 15,000.00?
5. How can you measure a government debt? Provide two examples of high indebted countries.
6. Give three types of Deposit-accepting Institutions.
7. How long must you keep \$100.00 deposited at a bank with an interest rate of 7.5% p. a., if you will obtain \$123.7863? The bank calculates the interest semiannually. Maximize your utility.
8. Explain the problematic of Asymmetric Information.
9. How much will be the future value of 1,000,000.00 in 10 years? For the calculation use the concept of continuous interest. Further you know that the effective interest rate is 3.2%.
10. Describe the functions of a Commercial Bank (Primary and Secondary).
11. What entities represent the Spending Sector (Macroeconomic view).
12. Give five examples of Other Financial Institutions.
13. You put on your bank account 55,000.00. The first three years the bank pays the interest once a year. Then the interest period will be changed to quarterly payment. Three years later the bank will calculate the interest each tenth day. How much you will have on your account in 12 years, if you know that the interest rate was the whole time stable at 2.6% p. a.?