

Daffodil International University
Faculty of Business and Entrepreneurship
Department of Business Administration
Program: BBA

Semester: Spring 25

Examination: Mid-term

Time: 1 Hour and 30 Minutes

Full Marks: 25

Course Code: 0412- 312

Course Title: Principles of Banking and Insurance

Section: All

Teacher's Name: SNR, LS, Sarwar,

Part-A: Theoretical Part.....Marks 15
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Answer all from the following questions (3*5=15)

1. Mrs. Parvin, a famous entrepreneur applied for home loan of Tk.1.5 crore from Prime Bank Ltd. **Summarize** the principles that should be followed by the credit officer of prime Bank Ltd to ensure sound and proper lending? (CLO1, Level 2)
2. If you want to regularly save aside a portion of your earnings for the future, which account would you prefer? **Compare** basic characteristics of recurring deposit and savings deposit accounts. (CLO 1, Level 2)
3. Depending on the kind of transactions they engage in, the relationship between the banker and the customer changes-Do you agree? **Explain** your answer. (CLO1, Level 2)

Part-B: Mathematical Part.....Marks: 10
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1. From the following information construct a **Balance sheet** of ABC Bank Limited for the year ended 31st December, 2024. (CLO 2, Level 3)
(3)

Particulars	Amount in Lac
Cash in hand	920
Mortgage indebtedness	1000
Customer's liability on acceptance	285
Cash Credit loan	2425
Money market deposit	100
Cash & Balance with Bangladesh Bank	1000
Deposit due to other banks	3000
Federal fund purchased	770

Fixed & Term Deposit A/c	510
Federal fund sold and securities purchased	750

2. From the following information construct a **Profit and Loss Account** of ABC Bank Limited for the year ended 31st December, 2024. (CLO 2, Level 3) (7)

Particulars	Amount in million
Interest/discount /advance /bills	12820
Income on investments	1091
Profit on sale of land, building and other assets	200
Interest on deposit	7950
Rent, taxes and lighting	250
Commission, exchange and brokerage	905
Interest on balance with Central Bank	10250
Payments to and provisions for employees	125
Repairs and maintenance	90
Insurance	100
Utility charges	500
Printing and stationery	55
Advertisements and publicity	80
Depreciation on bank's properties	825
Director's fees	290
Balance of profit and loss account	1120

Other information:

- Make a provision for income tax @ 35% and a provision for loan loss @ 15%.
- 20% of profit is to be transferred to the statutory reserve.