

International Islamic University Chittagong

Department of Business Administration

Program: BBA

Final-Term Examination, Spring Semester-2018

Course Title: Principles and Practices of Banking, Course Code: BNKG-1201

Time: 2 Hours 30 Minutes

Marks: 50

(Answer any five of the following questions. Different parts of same question must be answered serially)

1.	(a) Who is Executor? What are the precautions a commercial bank has to follow in dealing with an executor?	06
	(b) Briefly discuss the bank's precautions to conduct account of Club, society and co-operative.	04
2.	(a) Define the term- Money Laundering. Discuss the impact of money laundering in the economic condition and financial sector of a developing country like Bangladesh.	06
	(b) What are the responsibilities of financial institutions to combat Money Laundering activities?	04
3.	(a) Define the term Commercial Banks Risk Management? How commercial banks manage their Interest Rate Risk?	05
	(b) What do you mean by credit Risk? Briefly discuss the techniques of managing credit Risk?	05
4.	(a) Discuss the factors affecting Commercial Banks profitability.	04
	(b) What is stable dividend policy? Discuss the guidelines commercial banks follow in declaration of dividends.	04
	(c) Mention some income sources of commercial bank.	02
5.	(a) Differentiate between import financing and Export financing	03
	(b) Discuss various import financing methods.	05
	(c) What are the documents required to open Letter of Credit?	02
6.	(a) Write short note on: Non-trading customer, Lunacy, Administrator, Minor	04
	(b) Mr. Rahim is appointed as a Trustee of the IIUC Trust. As a Trustee Mr. Rahim open an account in the name of IIUC Trust in IBBL, Chawkbaza Branch. What are the precautions IBBL, Chawkbaza Branch have to follow to deal Mr. Rahim as a Trustee of IIUC Trust.	06
7.	(a) What is Letter of Credit? Discuss about rationality of the Basel within the banking industry in Bangladesh.	04
	(b) Define the term-Basel. What are components of bank capital under Basel-1.	06