



Ch5 - Test bank

Principle of Banking (Trường Đại học Ngoại thương)

Chapter 5

The Financial Statements of Banks and Their Principal Competitors

Fill in the Blank Questions

1. Fed funds purchased is an example of _____ along with Eurodollar borrowings.
Answer: nondeposit borrowings
2. The short term securities of the bank, including T-Bills and commercial paper, are often called _____ because they are the second line of defense to meet demands for cash.
Answer: secondary reserves
3. _____ is a noncash expense on the bank's income statement which allows the bank to account for future bad loans.
Answer: Provision for loan losses
4. _____ is the difference between interest income and interest expenses for a financial institution.
Answer: Net interest income
5. _____ are the primary long term liabilities of the bank. These liabilities are paid only after deposits have been paid in the event of bankruptcy.
Answer: Subordinated notes and debentures
6. A(n) _____ is where the financial institution agrees to guarantee repayment of a customer's loan received from a third party.
Answer: standby credit agreement
7. A(n) _____ is a short term collateralized loan. The collateral that is used generally consists of T-Bills.
Answer: repurchase agreement
8. A(n) _____ is a deposit account which pays an interest rate competitive with money market mutual funds and which generally has limited check writing ability.
Answer: money market deposit account

9. _____ is the sum of all outstanding IOU's owed to the bank in the form of consumer, real estate, commercial and agriculture loans as well as other types of credit extensions.
Answer: gross loans
10. A financial institution often records the value of its assets and liabilities at _____ which is the original or historical cost of the asset.
Answer: book value
11. The principal types of _____ include fee income, income from fiduciary activities and services charges on deposits.
Answer: noninterest income
12. The _____ shows the amount of revenues received and expenses incurred over a specific time period.
Answer: Report of Income (income statement)
13. The _____ lists the assets, liabilities and equity capital held by the bank on a given date.
Answer: Report of Condition (balance sheet)
14. _____ aims to restore public confidence in the wake of the accounting fiascos visible to the public from as firms as J.P. Morgan Chase.
Answer: FASB 133
15. _____ is labeled "Accounting for Derivative Instruments and Hedging Activities."
Answer: FASB 133
16. Under _____ banks must account for the expected loss of interest income on nonperforming loans when calculating their loan-loss provision.
Answer: FASB 114
17. Temporarily buying and selling securities by a securities firm in a thinly traded market so as to influence the price is known as _____.
Answer: painting the tape
18. The activity of manipulating the financial statements to artificially enhance the banks financial strength is known as _____.
Answer: window dressing or 'creative accounting'

19. _____ is direct and indirect investment in real estate. These are properties obtained for compensations for nonperforming loans.
Answer: Other Real Estate Owned (OREO)

20. _____ consists of interest income received on loans from customers that has not yet been earned by the bank under accrual accounting methods.
Answer: Unearned discount income

21. _____ can be held by individuals and nonprofit institutions, bear interest and permit drafts from being written against the account to pay third parties.
Answer: Now accounts

22. In the worldwide banking system, _____ represent transferable time deposits in a variety of currencies and are often the principal source of short term borrows by banks.
Answer: Eurocurrency Borrowings

23. One part of _____ arises from fees charged for ATM and POS transactions.
Answer: Other Noninterest Income

24. Fees that arise from a financial firm's trust activities, fees for managing a corporations' interest and dividend payments and fees for managing corporate or individual retirement plans are all included in the category of fees arising from _____.
Answer: fiduciary activities

25. Checking account maintenance fees and overdraft fees are included in the noninterest income account under _____.
Answer: service charges on deposit accounts

True/False Questions

T F 26. On a bank's income statement (Report of Income) deposit costs are financial inputs.
Answer: True

T F 27. Loans and leases are financial outputs on a financial institution's balance sheet or Report of Condition.
Answer: True

T F 28. Nondeposit borrowings are a financial input on a bank's balance sheet or Report of

Condition.

Answer: True

- T F 29. The cost of nondeposit borrowings is a financial input on a bank's income statement or Report of Income.
Answer: True
- T F 30. Securities income is a financial output listed on a financial institution's Report of Condition.
Answer: False
- T F 31. Net loans on a bank's balance sheet are derived by deducting the allowance for loan losses and unearned discounts from gross loans.
Answer: True
- T F 32. When a loan is classified as nonperforming any accrued interest recorded on the bank's books, but not actually received, must be deducted from a bank's loan revenues.
Answer: True
- T F 33. In U.S. banking, securities gains are treated as ordinary income.
Answer: True
- T F 34. Most banks report securities gains as a component of their total noninterest income.
Answer: False
- T F 35. A bank displaying trading account securities on its balance sheet is serving as a security dealer and plans to sell those securities before they reach maturity.
Answer: True
- T F 36. Bad loans normally do not affect a bank's current income.
Answer: True
- T F 37. The expensing of a worthless loan usually must occur in the year that loan become worthless.
Answer: True
- T F 38. Recoveries on loans previously charged off are added to the Provision for Loan Losses (PLL) account on a bank's income statement.
Answer: False

- T F 39. Loan-loss reserves set aside to cover a particular loan or loans expected to be a problem or present the bank with above-average risk are known as specific reserves.
Answer: True
- T F 40. U.S. banks(especially those with \$500 million or more in total assets) are required to file financial statements audited by an independent public accountant with their principal federal regulatory agency.
Answer: True
- T F 41. Off balance sheet items for a bank are fee generating transactions which are not recorded on their balance sheet.
Answer: True
- T F 42. The experience method of accounting for future loan loss reserves allows a bank to deduct from their income statement up to .6 percent of their eligible loans.
Answer: False
- T F 43. After the Tax Reform Act of 1986, large banks (>\$500 million in assets) were required to use the reserve method of accounting for future loan loss reserves.
Answer: False
- T F 44. The number one source of revenue for a bank based on dollar volume is loan income.
Answer: True
- T F 45. In looking at comparative balance sheets, it can be seen that large banks rely more heavily on nondeposit borrowings while small banks rely more heavily on deposits.
Answer: True
- T F 46. The Pension Fund industry is now larger than the Mutual Fund industry.
Answer: False
- T F 47. Off-balance sheet items for banks have declined in recent years.
Answer: False
- T F 48. Except for banks, Savings & Loans and Savings Banks hold the most deposits.
Answer: True
- T F 49. "Painting the tape" refers to the practice whereby banks understate their nonperforming loans.
Answer: False

- T F 50. Financial statements issued by banks and nonbank financial service firms are looking increasingly similar today.

Answer: True

Multiple Choice Questions

51. The noncash expense item on a bank's Report of Income designed to shelter a bank's current earnings from taxes and to help prepare for bad loans is called:

A) Short-term debt interest
B) Noninterest expense
C) Provision for taxes
D) Provision for possible loan losses
E) None of the above.

Answer: D

52. A financial institution's bad-debt reserve, as reported on its balance sheet, is called:

A) Unearned income or discount
B) Allowance for possible loan losses
C) Intangible assets
D) Customer liability on acceptances
E) None of the above

Answer: B

53. When a bank serves as a security dealer for certain kinds of securities (mainly federal, state, and local government obligations) the value of these securities is usually recorded in what account on a bank's Report of Condition?

A) Investment Securities
B) Taxable and Tax-Exempt Securities
C) Trading Account Securities
D) Secondary Reserves
E) None of the above

Answer: C

54. The difference between noninterest income and noninterest expenses on a bank's Report of Income is called:

A) Net Profit Margin
B) Net Interest Income
C) Net Income After Provision for Possible Loan Losses
D) Income or Loss Before Income Taxes
E) Net Noninterest Income

Answer: E

55. The account that is built up by annual noncash expense deductions and is subtracted from Gross Loans on the Report of Condition is:
- A) Unearned income
 - B) Nonperforming loans
 - C) Allocated loan risk deductions
 - D) Allowance for possible loan losses
 - E) None of the above.
- Answer: D
56. Nonperforming loans are credits on which any scheduled loan repayments and interest payments are past due for more than:
- A) 30 days
 - B) 60 days
 - C) 90 days
 - D) 180 days
 - E) None of the above.
- Answer: C
57. One-time only transactions that often involve financial assets or real property pledged as collateral behind a loan and upon which the bank has foreclosed affect a bank's account known as:
- A) Allowance for loan losses
 - B) Nonrecurring sales of assets
 - C) Asset gains or losses
 - D) Provision for loan and security losses
 - E) None of the above.
- Answer: B
58. The use of fixed assets, rather than financial assets, in order to increase earnings flowing to a bank's stockholders is known as:
- A) Plant and equipment investment
 - B) Financial leverage
 - C) Operating leverage
 - D) Nondeposit capital
 - E) None of the above.
- Answer: C
59. Banks depend heavily upon borrowed funds supplied by customers with little owners' capital invested. This means that banks make heavy use of:
- A) Financial leverage
 - B) Capital restructuring
 - C) Operating Leverage
 - D) Margin borrowing
 - E) None of the above.
- Answer: A

60. When a loan is considered uncollectible, the bank's accounting department will write (charge) it off the books by reducing the _____ and the _____ accounts. Which choice below correctly fills in the blank in the preceding sentence?
- A) PLL and Gross Loans
 - B) ALL and Net Loans
 - C) ALL and Gross Loans
 - D) PLL and Net Loans
 - E) None of the above.
- Answer: C
61. The common banking practice of selling those investment securities that have appreciated in order to reap a capital gain and holding onto those securities whose prices have declined is known as:
- A) Gains trading
 - B) Performance banking
 - C) Loss control trading
 - D) Selective portfolio management
 - E) None of the above.
- Answer: A
62. Noninterest revenue sources for a bank are called:
- A) Commitment fees on loans
 - B) Fee income
 - C) Supplemental income
 - D) Noninterest margin
 - E) None of the above.
- Answer: B
63. Large U.S. banks must use which of the methods listed below to determine their provision for loan loss expense?
- A) Experience method
 - B) Reserve method
 - C) Specific charge-off method
 - D) Historical cost method
 - E) None of the above.
- Answer: C
64. A bank's temporary lending of excess reserves to other banks is labeled on the balance sheet as:
- A) Fed Funds Purchased
 - B) Fed Funds Sold
 - C) Money Market Deposits
 - D) Securities Purchased for Resale
 - E) None of the above
- Answer: B

65. A bank sells shares of its common stock with a par value of \$100 for \$200 in the market. Which two accounts on the bank's balance sheet are going to be affected?
- A) Retained earnings and capital surplus accounts
 - B) Subordinated notes and debentures and commons stock outstanding accounts
 - C) Retained earnings and common stock outstanding accounts
 - D) Common stock outstanding and capital surplus accounts
 - E) Only the common stock outstanding account is affected
- Answer: D

66. A type of letter of credit which is widely used in international trade is known as:
- A) Banker's acceptance
 - B) Commercial paper
 - C) Repurchase agreement
 - D) Fed funds purchased
 - E) None of the above
- Answer: A

67. A bank which starts with ALL of \$1.48 million at the beginning of the year, charges off worthless loans of \$.94 million during the year, recovers \$.12 million on loans previously charged off and charges current income for a \$1.02 million provision for loan losses will have an ALL at the end of the year of:
- A) \$.66 million
 - B) \$3.32 million
 - C) \$1.68 million
 - D) \$1.28 million
 - E) The same amount as at the beginning of the year
- Answer: C

68. A bank that has total interest income of \$67 million and total noninterest income of \$14. million. This bank has total interest expenses of \$35 million and total noninterest expenses (excluding PLL) of \$28 million. Its provision for loan losses is \$6 million and its taxes are \$5. What is this bank's net interest income?
- A) \$7
 - B) -\$14
 - C) \$18
 - D) \$32
 - E) None of the above
- Answer: D

69. A bank that has total interest income of \$67 million and total noninterest income of \$14. million. This bank has total interest expenses of \$35 million and total noninterest expenses (excluding PLL) of \$28 million. Its provision for loan losses is \$6 million and its taxes are \$5. What is this bank's net noninterest income?
- A) \$7
 - B) -\$14
 - C) \$18
 - D) \$32
 - E) None of the above
- Answer: B

70. A bank that has total interest income of \$67 million and total noninterest income of \$14. million. This bank has total interest expenses of \$35 million and total noninterest expenses (excluding PLL) of \$28 million. Its provision for loan losses is \$6 million and its taxes are \$5. What is this bank's net income?
- A) \$7
 - B) -\$14
 - C) \$18
 - D) \$32
 - E) None of the above
- Answer: A

71. Which of the following financial statements shows the revenues and expense of a bank over a set period of time?
- A) The statement of stockholders equity
 - B) The funds-flow statement
 - C) The report of financial condition
 - D) The report of income
 - E) None of the above
- Answer: D

72. Which of the following accounts is sometimes called the bank's primary reserves?
- A) Cash and deposits due from bank
 - B) Investment securities
 - C) Trading account securities
 - D) Fed funds sold
 - E) None of the above
- Answer: A

73. Which of the following assets is the largest asset item on the bank's balance sheet?
- A) Securities
 - B) Cash
 - C) Loans
 - D) Bank Premises
 - E) None of the above
- Answer: C
74. What financial service industry category is second to the banking industry in total assets held:
- A) mutual funds
 - B) thrifts
 - C) investment banks
 - D) insurance companies
 - E) pension funds
- Answer: A
75. FASB Rule 115 focuses primarily on bank:
- A) deposit sources
 - B) investments in marketable securities
 - C) derivatives trading
 - D) loan-loss reserves
 - E) federal funds
- Answer: B
76. Which of the following most accurately describes the principal type(s) of bank noninterest income:
- A) fees from fiduciary transactions
 - B) fees from deposit transactions
 - C) fees from securities transactions
 - D) fees from additional noninterest income
 - E) all of the above
- Answer: E
77. Fee income arising from fiduciary transactions include all of the following except:
- A) checking account maintenance fees
 - B) fees for managing and protecting a customer's property
 - C) fees for recordkeeping for corporate security
 - D) fees for dispersing interest and dividend payments for a corporation
 - E) fees for managing corporate and individual retirement plans
- Answer: A

79. You know the following information about the Miller State Bank

Gross Loans	\$300	
Miscellaneous Assets		\$50
Deposits	\$390	
Total Equity	\$50	
Common Stock Par	\$5	
NonDeposit Borrowings		\$60
Investment Securities		\$150
Net Premises		\$40
Surplus		\$5
Allowance for Loan Losses		\$50
Deposits	\$390	
Total Assets	\$500	
Gross Premises		\$70

Given this information, what is this firm's Net Loans?

- A) \$250
- B) \$350
- C) \$500
- D) \$50
- E) \$150

Answer: A

80. You know the following information about the Miller State Bank

Gross Loans	\$300	
Miscellaneous Assets		\$50
Deposits	\$390	
Total Equity	\$50	
Common Stock Par	\$5	
NonDeposit Borrowings		\$60
Investment Securities		\$150
Net Premises		\$40
Surplus		\$5
Allowance for Loan Losses		\$50
Deposits	\$390	
Total Assets	\$500	
Gross Premises		\$70

Given this information, what is this firm's Depreciation?

- A) \$250
- B) \$30
- C) \$70
- D) \$40
- E) \$110

Answer: B

82. You know the following information about the Miller State Bank

Gross Loans	\$300	
Miscellaneous Assets		\$50
Deposits	\$390	
Total Equity	\$50	
Common Stock Par	\$5	
NonDeposit Borrowings		\$60
Investment Securities		\$150
Net Premises		\$40
Surplus		\$5
Allowance for Loan Losses		\$50
Deposits	\$390	
Total Assets	\$500	
Gross Premises		\$70

Given this information, what is this firm's Total Liabilities?

- A) \$390
- B) \$60
- C) \$450
- D) \$500
- E) \$50

Answer: C

83. You know the following information about the Miller State Bank

Gross Loans	\$300	
Miscellaneous Assets		\$50
Deposits	\$390	
Total Equity	\$50	
Common Stock Par	\$5	
NonDeposit Borrowings		\$60
Investment Securities		\$150
Net Premises		\$40
Surplus		\$5
Allowance for Loan Losses		\$50
Deposits	\$390	
Total Assets	\$500	
Gross Premises		\$70

Given this information, what is this firm's Undivided Profits?

- A) \$50
- B) \$5
- C) \$10
- D) \$40
- E) \$450

Answer: D

85. You know the following information about the Miller State Bank

Gross Loans	\$300	
Miscellaneous Assets		\$50
Deposits	\$390	
Total Equity	\$50	
Common Stock Par	\$5	
NonDeposit Borrowings		\$60
Investment Securities		\$150
Net Premises		\$40
Surplus		\$5
Allowance for Loan Losses		\$50
Deposits	\$390	
Total Assets	\$500	
Gross Premises		\$70

Given this information, what is this firm's Total Liabilities Plus Equity?

- A) \$250
- B) \$450
- C) \$150
- D) \$50
- E) \$500

Answer: E

83. You know the following information about the Davis National Bank

Total Interest Expenses	(\$500)
Total Non Interest Income	\$100
Securities Gains (Losses)	\$ 50
Income Taxes	(\$ 80)
Dividends to Stockholders	(\$ 40)
Total Interest Income	\$800
Total Non Interest Expenses	(\$150)
Provision for Loan Losses	(\$100)

Given this information, what is this firm's Net Interest Income?

- A) \$300
- B) \$150
- C) (\$50)
- D) \$120
- E) \$80

Answer: A

85. You know the following information about the Davis National Bank
- | | |
|-----------------------------|---------|
| Total Interest Expenses | (\$500) |
| Total Non Interest Income | \$100 |
| Securities Gains (Losses) | \$ 50 |
| Income Taxes | (\$ 80) |
| Dividends to Stockholders | (\$ 40) |
| Total Interest Income | \$800 |
| Total Non Interest Expenses | (\$150) |
| Provision for Loan Losses | (\$100) |

Given this information, what is this firm's Net Non Interest Income?

- A) \$300
- B) \$150
- C) (\$50)
- D) \$120
- E) \$80

Answer: C

86. You know the following information about the Davis National Bank
- | | |
|-----------------------------|---------|
| Total Interest Expenses | (\$500) |
| Total Non Interest Income | \$100 |
| Securities Gains (Losses) | \$ 50 |
| Income Taxes | (\$ 80) |
| Dividends to Stockholders | (\$ 40) |
| Total Interest Income | \$800 |
| Total Non Interest Expenses | (\$150) |
| Provision for Loan Losses | (\$100) |

Given this information, what is this firm's Pretax Net Operating Income (or Net Income before Extraordinary Items)?

- A) \$300
- B) \$150
- C) (\$50)
- D) \$120
- E) \$80

Answer: B

87.

88. You know the following information about the Davis National Bank
- | | |
|-----------------------------|---------|
| Total Interest Expenses | (\$500) |
| Total Non Interest Income | \$100 |
| Securities Gains (Losses) | \$ 50 |
| Income Taxes | (\$ 80) |
| Dividends to Stockholders | (\$ 40) |
| Total Interest Income | \$800 |
| Total Non Interest Expenses | (\$150) |
| Provision for Loan Losses | (\$100) |

Given this information, what is this firm's Net Income?

- A) \$300
- B) \$150
- C) (\$50)
- D) \$120
- E) \$80

Answer: D

89. You know the following information about the Davis National Bank
- | | |
|-----------------------------|---------|
| Total Interest Expenses | (\$500) |
| Total Non Interest Income | \$100 |
| Securities Gains (Losses) | \$ 50 |
| Income Taxes | (\$ 80) |
| Dividends to Stockholders | (\$ 40) |
| Total Interest Income | \$800 |
| Total Non Interest Expenses | (\$150) |
| Provision for Loan Losses | (\$100) |

Given this information, what is this firm's Increase in Undivided Profits?

- A) \$300
- B) \$150
- C) (\$50)
- D) \$120
- E) \$80

Answer: E

90. You know the following information about the Davis National Bank
- | | |
|-----------------------------|---------|
| Total Interest Expenses | (\$500) |
| Total Non Interest Income | \$100 |
| Securities Gains (Losses) | \$ 50 |
| Income Taxes | (\$ 80) |
| Dividends to Stockholders | (\$ 40) |
| Total Interest Income | \$800 |
| Total Non Interest Expenses | (\$150) |
| Provision for Loan Losses | (\$100) |

Given this information, what is this firm's Total Revenues?

- A) \$800
- B) \$850
- C) \$150
- D) \$950

Answer: D
91.

92. You know the following information about the Webb State Bank

Accumulated Depreciation		\$40
Net Loans	\$600	
Fed Funds Purchased and Repurchase Agreements	\$200	
Cash and Due from Banks	\$50	
Trading Account Securities		\$40
Miscellaneous Assets		\$100
Deposits	\$500	
Undivided Profits	\$140	
Gross Premises		\$90
Surplus		\$40
Subordinated Debt	\$100	
Investment Securities		\$160
Common Stock Par	\$20	
Gross Loans	\$700	

Given this information, what is this firm's Allowance for Loan Losses?

- A) \$1300
 - B) \$1000
 - C) \$50
 - D) \$200
 - E) \$100
- Answer: E

93. You know the following information about the Webb State Bank

Accumulated Depreciation		\$40
Net Loans	\$600	
Fed Funds Purchased and Repurchase Agreements	\$200	
Cash and Due from Banks	\$50	
Trading Account Securities		\$40
Miscellaneous Assets		\$100
Deposits	\$500	
Undivided Profits	\$140	
Gross Premises		\$90
Surplus		\$40
Subordinated Debt	\$100	
Investment Securities		\$160
Common Stock Par	\$20	
Gross Loans	\$700	

Given this information, what is this firm's Net Premises?

- A) \$130
 - B) \$1000
 - C) \$50
 - D) \$200
 - E) \$100
- Answer: C

95. You know the following information about the Webb State Bank

Accumulated Depreciation		\$40
Net Loans	\$600	
Fed Funds Purchased and Repurchase Agreements	\$200	
Cash and Due from Banks	\$50	
Trading Account Securities		\$40
Miscellaneous Assets		\$100
Deposits	\$500	
Undivided Profits	\$140	
Gross Premises		\$90
Surplus		\$40
Subordinated Debt	\$100	
Investment Securities		\$160
Common Stock Par	\$20	
Gross Loans	\$700	

Given this information, what is this firm's Total Non Deposit Borrowings?

- A) \$1000
- B) \$300
- C) \$800
- D) \$200
- E) \$500

Answer: B

96. You know the following information about the Webb State Bank

Accumulated Depreciation		\$40
Net Loans	\$600	
Fed Funds Purchased and Repurchase Agreements	\$200	
Cash and Due from Banks	\$50	
Trading Account Securities		\$40
Miscellaneous Assets		\$100
Deposits	\$500	
Undivided Profits	\$140	
Gross Premises		\$90
Surplus		\$40
Subordinated Debt	\$100	
Investment Securities		\$160
Common Stock Par	\$20	
Gross Loans	\$700	

Given this information, what is this firm's Total Liabilities?

- A) \$1000
- B) \$300
- C) \$800
- D) \$200
- E) \$500

Answer: C

98. You know the following information about the Webb State Bank

Accumulated Depreciation		\$40
Net Loans	\$600	
Fed Funds Purchased and Repurchase Agreements	\$200	
Cash and Due from Banks	\$50	
Trading Account Securities		\$40
Miscellaneous Assets		\$100
Deposits	\$500	
Undivided Profits	\$140	
Gross Premises		\$90
Surplus		\$40
Subordinated Debt	\$100	
Investment Securities		\$160
Common Stock Par	\$20	
Gross Loans	\$700	

Given this information, what is this firm's Total Equity?

- A) \$1000
- B) \$300
- C) \$800
- D) \$200
- E) \$500

Answer: D

99. You know the following information about the Webb State Bank

Accumulated Depreciation		\$40
Net Loans	\$600	
Fed Funds Purchased and Repurchase Agreements	\$200	
Cash and Due from Banks	\$50	
Trading Account Securities		\$40
Miscellaneous Assets		\$100
Deposits	\$500	
Undivided Profits	\$140	
Gross Premises		\$90
Surplus		\$40
Subordinated Debt	\$100	
Investment Securities		\$160
Common Stock Par	\$20	
Gross Loans	\$700	

Given this information, what is this firm's Total Assets?

- A) \$1000
- B) \$300
- C) \$800
- D) \$200
- E) \$500

Answer: A

100.

101. You know the following information about the Taylor National Bank
- | | |
|---------------------------|---------|
| Provision for Loan Losses | (\$100) |
| Income Taxes | (\$140) |
| Non Interest Income | \$500 |
| Dividends | (\$60) |
| Securities Gains (Losses) | (\$50) |
| Interest Income | \$1500 |
| Non Interest Expense | \$750 |
| Interest Expenses | \$750 |

Given this information, what is this firm's Net Interest Income?

- A) \$150
- B) \$210
- C) \$400
- D) (\$250)
- E) \$750

Answer: E

102. You know the following information about the Taylor National Bank
- | | |
|---------------------------|---------|
| Provision for Loan Losses | (\$100) |
| Income Taxes | (\$140) |
| Non Interest Income | \$500 |
| Dividends | (\$60) |
| Securities Gains (Losses) | (\$50) |
| Interest Income | \$1500 |
| Non Interest Expense | \$750 |
| Interest Expenses | \$750 |

Given this information, what is this firm's Net Non Interest Income?

- A) \$150
- B) \$210
- C) \$400
- D) (\$250)
- E) \$750

Answer: D

104. You know the following information about the Taylor National Bank
- | | |
|---------------------------|---------|
| Provision for Loan Losses | (\$100) |
| Income Taxes | (\$140) |
| Non Interest Income | \$500 |
| Dividends | (\$60) |
| Securities Gains (Losses) | (\$50) |
| Interest Income | \$1500 |
| Non Interest Expense | \$750 |
| Interest Expenses | \$750 |

Given this information, what is this firm's Net Operating Income or Net Income Before Extraordinary Income?

- A) \$150
- B) \$210
- C) \$400
- D) (\$250)
- E) \$750

Answer: C

105. You know the following information about the Taylor National Bank
- | | |
|---------------------------|---------|
| Provision for Loan Losses | (\$100) |
| Income Taxes | (\$140) |
| Non Interest Income | \$500 |
| Dividends | (\$60) |
| Securities Gains (Losses) | (\$50) |
| Interest Income | \$1500 |
| Non Interest Expense | \$750 |
| Interest Expenses | \$750 |

Given this information, what is this firm's Net Income?

- A) \$150
- B) \$210
- C) \$400
- D) (\$250)
- E) \$750

Answer: B

107. You know the following information about the Taylor National Bank
- | | |
|---------------------------|---------|
| Provision for Loan Losses | (\$100) |
| Income Taxes | (\$140) |
| Non Interest Income | \$500 |
| Dividends | (\$60) |
| Securities Gains (Losses) | (\$50) |
| Interest Income | \$1500 |
| Non Interest Expense | \$750 |
| Interest Expenses | \$750 |

Given this information, what is this firm's Increase in Undivided Profits?

- A) \$150
- B) \$210
- C) \$400
- D) (\$250)
- E) \$750

Answer: A

108. You know the following information about the Taylor National Bank
- | | |
|---------------------------|---------|
| Provision for Loan Losses | (\$100) |
| Income Taxes | (\$140) |
| Non Interest Income | \$500 |
| Dividends | (\$60) |
| Securities Gains (Losses) | (\$50) |
| Interest Income | \$1500 |
| Non Interest Expense | \$750 |
| Interest Expenses | \$750 |

Given this information, what is this firm's Total Revenues?

- A) \$1500
- B) \$2000
- C) \$2050
- D) \$1950
- E) \$1450

Answer: B