

Review Questions on Retail and Corporate Banking.

1. Explain basic functions of a bank.
2. What are four different types of banking, main types of retail bank accounts, four types of lending banks offer?
3. Explain terms like overdraft, collateral, LIBOR, asymmetric information, clearing, revolving credit, loan covenants.
4. Compare and contrast (describe and explain the relative advantages and disadvantages) of an overdraft versus a term loan versus project finance versus a syndicated loan.
5. Explain different types of repayment.
6. Describe different payment mechanisms.
7. In addition to loans and deposits services, what services do banks provide for corporate customers?
8. Describe key bank management areas, such as liquidity management, asset management, liability management, capital adequacy management.
9. Describe, explain and illustrate how a bank could find itself insolvent.
10. Explain the calculation and use of ROA, ROE, NIM, Loan-to-Deposit ratio, Cost-Income ratio.