

Q (1) (35 marks) Using the following Bank Trial Balance as of 31.12.2017 and for the year ending 2017, prepare the Balance Sheet of the "Sample Bank". All balances are in millions of TL.

1. Cash 10
2. Deposits 700
3. Due from banks 50
4. Interbank Borrowing 70
5. Loans 800
6. Bank Borrowings 80
7. Government Bonds 100
8. Treasury Bills 150
9. Syndications Loans Obtained 150
10. Share Capital 100
11. Legal Reserves 5
12. Fixed Assets 90
13. Retained Earnings 70
14. Interest Income 85
15. Interest Expense 50
16. Other Assets 20
17. Bonds Issued by the Bank 30
18. Net Income 15
19. Personnel Expenses 45
20. Commission Income 35

Q (2) (35 marks) Prepare the Dr. Cr. Journal entries for the following banking transactions:

1. The Bank wants to record "Accrued Interest Expense" as of year-end on a 3 months Term-Deposit account of 500TL which was opened 1 month before year-end. Interest rate per annum is 10%
2. The Bank wants to record "Accrued Interest Income" as of year-end on a 3 months Loan Account of 600TL which was opened 2 months before year-end. Interest rate per annum is 30%
3. Consumer Loan customer does not make payment to the bank for his 800 0TL loan & the loan became an Non-Performing Loan NPL
4. The Bank provides a Reserve for this NPL for only the 50% of the above NPL
5. The Bank borrowed 2000 TL from another Bank
6. The Bank gave a Letter of Guarantee to its customer and got 25 TL commission income from the company's current account.
7. The Bank has 1000 branches. 200 branches are bank's property and 800 branches are rented. Bank has paid rent amounting to 1300 TL to the owners of these property.

Q (3) (30 marks) There are 12 Basic Accounting Concepts banks have to use and implement. Explain in detail any 3 of such Bank Accounting Concepts.