ACCOUNTING FOR FINANCIAL INSTITUTION

Section 1
Assistant lecture
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Institution that deals in ........ and its substitutes and provides other financial services.

- (money)
- Banks accept ........ and make ........ to customers,
- (deposits, loans) .
Banks derive a profit from the difference in the interest paid to lenders (depositors) and charged to borrowers, respectively.

A bank can achieve a profit if it had interest paid lower than interest earned.

(profit, interest)
Banks

Deposits

Loans

Interest Earned

Interest Paid

Profit = IE - IP

Make

Accept

charged

IN (وبمن توضيح مدخلات البنك)

OUT PUTS (وإيضا مخرجاته)

και όλα:
The three major classes of banks are:

1 - commercial banks,
2 - investment banks,
3 - central banks
E.X:

- Suppose that the branch of national bank in Mansoura had a deposit of value 10000$ with interest %10.

Require:

1. Determine the kind of manager if you know that he had keep with liquidity percentage %30.
2. How money it takes on the depositer?