

3. How might Wells Fargo adapt its commercial banking services to serve the needs of family-run businesses in poor countries?

4. Create some promotional messages that Wells Fargo might use to promote its commercial and international banking services.

5. What are possible benefits and drawbacks of the HSBC joint venture?

6. Wells Fargo hopes to expand its commercial banking among major companies based in other countries.
 - a. What services would be appropriate for customers in this new target market?
 - b. What actions might be taken by the company to offer commercial banking services in other countries?

FILL IN THE BLANK (note: some terms will not be used)

automatic teller machine (ATM)	Federal Reserve System	safe-deposit box
commercial lending	Int'l Monetary Fund (IMF)	trust
debit card	lock box	World Bank
development bank	open market operations	
discount rate	reserve requirement	

1. A(n) _____ is an electronic banking service machine, more commonly called a cash machine.
2. _____ is the rate the Fed charges on loans to member banks.
3. A(n) _____ is a secured postal box used to receive customer payments.
4. The _____, otherwise known as the International Bank for Reconstruction and Development, was created in 1944 to provide loans for rebuilding after WWII.
5. A(n) _____ allows the user to obtain or use money from a checking account.
6. The process of buying and selling government securities by the Fed is called _____.
7. The _____ is the percentage of funds that a bank is required to hold.
8. _____ refers to loans to businesses for various company needs.
9. A(n) _____ can be rented by customers to store valuable objects and documents in well-guarded bank vaults.
10. The _____ is an agency that helps promote economic cooperation by maintaining an orderly system of international trade and exchange rates.

THINK CRITICALLY

11. Monetary policy refers to Federal Reserve actions to influence the money supply and economic conditions. Fiscal policy is spending and taxing by the government, which can also affect economic conditions. Describe how changes in spending and taxes can affect economic activities.

12. The Community Reinvestment Act requires that financial institutions provide loans and other funds to assist low-income people with home purchases and for starting businesses. What are the benefits of this federal legislation?

13. As more financial institutions offer a wider variety of services, does competition between them increase or decrease? Explain your answer.

14. Increased use of technology for banking creates convenience for customers. What are some concerns associated with electronic banking activities?

15. Should restrictions be placed on foreign banks doing business in the United States? Explain your answer.

16. Environmentally-friendly sustainable development is a goal of many governments and organizations. How might this goal be achieved?



EXCEL PROBLEMS

Use Excel to solve the problems below and email the spreadsheet as an attachment.
MAKE SURE TO USE FORMULAS IN YOUR WORK!
 (don't just type the answers)

17. During a recent six-month period, a customer's balances were April, \$148; May, \$201.97; June, \$101.61; July, \$418.53; August, \$248.29; and September, \$154.36. Monthly service charges for a checking account are based on the bank's rate schedule, as shown in the table.

Minimum Balance	Charge
0–\$199	\$5
\$200–\$399	\$3
\$400 and over	no charge

- a. How much was the service charge for each month?
 - b. What was the total service charge for the six-month period?

18. On June 1, Brad Keller had a checking account balance of \$140. He has his paychecks automatically deposited. His earnings for June were \$1,080. During the month, he wrote checks for \$87, \$146, \$29, and \$292. He had \$120 automatically transferred from his checking account to his savings account. In addition, he used his ATM card to withdraw \$60 in cash. The bank charges 75 cents for each EFT transfer or withdrawal. Find Brad's bank balance after these transactions.

19. A company needs to borrow \$72,000 for 60 days to finance its inventory for the fall selling season. If the annual interest rate of this loan is 5.5 percent, what would be the cost of borrowing these funds? Assume a 360-day financial year.