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Bank Accounts

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BACHELOR THESIS

BANK ACCOUNTS

**Prepared for the degree “Bachelor of Management, Business, and Economics”
Under the supervision**

Of

Prof. Dr. Karl Knezourek

Submitted to

*University for Business and Technology – **UBT***

By

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1. Research Question

My Bachelor Thesis will be on Bank Accounts; this will be based on the four questions that I am going to fulfill in this paper for Bank Accounts.

1. A comparison of Banking Services in Kosova before and after the war- (1998-99) with a special emphasis on Bank Accounts offered.
2. How did the new type of accounts influence economical growth?
3. How did they simplify bank transactions?

1.1 The first question is very clear what I am going to do, and I am not going to spend much time in that question because the difference is very high and it can be described just with one or two pages. But is very important to do this comparison because we will see how the slope of bank accounts will go up in Kosova after the war.

2.1 As we know that Kosovo's economy is very low and we (us Kosova people) need to work on this very hard and to look each aspect that has influences for good and bad in the Kosovo's economical growth. I am going to spend much time on this question to see "how the new types of bank accounts in Kosova did influence the economical growth"? Most of the people think that by entering new Banks with new services their work has become more easier and the economy slope has gone upper and upper ("with low speed") each year.

3.1 After the war, private businesses had a high growth in Kosova Market and they needed a way to do their money transaction easy. Banks that entered in Kosova simplified their bank transactions, so the business could growth faster. Also is good to mention that they also spend less time on the transaction of the money and it is more secure way than transferring money hand by hand.

2. Methodology

In order to gather more information's for Bank Accounts I need to use much kind of methods of gathering information.

One of those methods of gathering information's are,

1. Interviews with bank representatives,
2. Information material provided by banks,
3. Internet,
4. General literature.

My thesis is based one four main questions that I need to answer and work on them. To complete all those questions I need to use different methods for each question.

1.2 The first question (or topic) is comparison of the Banking Services before and after the war. In this topic I need to interview the people who have worked in those Banks in that time, and in this topic I need to use Interviews. In the internet I don't think that can fine any data for this topic and also no materials provided by the banks because all the banks are new in Kosova, they don't have to do anything with the old ones that has operated in Kosova. Our libraries are very poor in that aspect with books and data's for the Banking Services in Kosova before and after the war information's.

2.2 I think that this will be the most interesting question (topic) in my bachelor thesis. As I mention before that my country need's many studies in this direction because the economical slop is very low and we need to raise it. In this topic I am going to gather information mostly in government institutions because they know how and what has influences the curve (slop) of economy to go up and down, so I am going to see if the new types of bank account has influence it to raise up. In this topic I need to use the interviews and internet.

3.3 This question (topic) is more related to the businesses. In this topic I need to use the internet, bank data's, any last literature and the interviews. I will gather information's more from huge companies to see how much did the new bank accounts simplify the transactions and how les time the spend now and how secure the are now comparison with transaction in hand by hand (money).

I order to fulfill my task as good as I can I need to do a good research in those three institutions: BANKS, GOVERNMENT, AND BUSINESSIES. Also I need a good feedback from my Professor so I can see where I have any gap to fill it.

3. Introduction

Kosova had very bad times thought those 20 last years, in many directions like: education area, medical area, social area, economical area where the author is going to focus more in this bachelor paper. This was the reason that the author chased to do some work on the economical area- banks. And it comes in conclusion of Bank Accounts.

The author have two periods of time that he is going to mention in this work, the period before the war, where he is going to look in what situations banks has been (more specifically for bank accounts situation and system), and the period after the war where we are going to look where banks are now (more specifically for bank accounts in what situation and system are now).

The author thought that his work will be helpful in this direction because there is no one who has done such a research and work for the bank accounts situations and system in Kosova for this period of time, their influence in the Kosova economy, and in business transactions.

The Serb occupation in Kosova has done many badly things and has left many things away with the trend on the real world that we are living. Bank services where in a terrible situation, because it was very hard to have a bank account. All the banks where controlled from the Beograd administrations (or Serbian government). People weren't sure to deposit the money in the Serbian bank and they weren't sure also to tack loans.

This Bank system that where before the war didn't help the economy to growth, but it has helped to go down and down.

If we speak for the private businesses, it was not a good situation too. Private businesses had to develop bay theme self or to help each other. They missed many opportunities that private businesses have today; like doing easy and fast transactions in many directions, getting loans, saving the money in the bank accounts ect.

Today businesses are having better opportunities according to the bank services. They can do easier and faster payments for their sells; they can have easier and faster their moneys from their buyers. The faster and chipper transactions that now we can do thought those banks are completely different to comparison with the situation before the war.

After the war, many foreign banks come in the Kosova market and changed many things in bank accounts, they are helping small, medium, and some big businesses to growth up more day bay day, because they are surer with tacking loans, and depositing moneys in bank accounts. Also they offer you much kind of bank accounts and many other opportunities.

4. Banks' History

4.1.What bank is?

The bank is a main institution in an economy, and banks are the main resources for individual loans, family loans, institutional loans, company loans and other entities.

A Financial institution to be a bank needs to full fill those criteria's:

1. Does this institution with his work create money?
2. Is its main activity of taking and giving a loan?
3. Does this institution give a financial support for realizing of main economical policies purpose for developing the country?

Based on those criteria's we come in a conclusion for banks,

Bank is a special financial institution with monetary-creditor that works with tacking and giving loans (credits) in professional way and being the intercession on transaction between the different entities.

4.2.A short story for banks in the past.

The first banks has been showed 3000 years before, in the Sumerëve Civilize (in Centre of Asia), after that in Babylonia where the temples has played the banks role, where people deposited money and had the change to take loans.

In the VII B.C. Century the first bank houses have been shown, and the called TEZAUR where people collected food, money and other things and they had to give to the other people like a lone with an interest rate.

In the Rome the banks system were based in the Antique Greece experience, people hum (which) worked in the bank called ARGENTARIUS.

They accepted deposits in their banks, they could give loans with usury and they did the transactions with the outside world. The bank system where destroyed in Rome when the Rome Empire fall down.

In the 1407 in Geneva the first bank was established, name “CASA DI SAN GIROGIO”. This was a real bank (in a bank sense), they did many services like, they had a big amount of money and they could give bigger loans and they did bigger transactions.

Most popular Banks in the industrial revolution time were: “MEDICI BANK”- (Italy) and the “HOCHSTETTLER BANK”-(Germany).

In the 1694 in England the “BANK OF ENGLAND” was established based on the Skotlandezi William Paterson and this bank considers like the first modern bank in the banks history on the world.

The first bank in the Franc was established in the 1716 from Skotlandezi John Law and is called “BANQUE GÉNÉRALE”. But for some problems this bank was shutdown in 1720.

In 1800 the “BANQUE DE FRANCE” was established from Napoleon.

The Join-stock banks were shown up in the XIX century. The industrial revolution has helped the role of banks to change.¹

¹ The data's is taken from the University of Prishtina (UP) –The Economical Department of UP-s.

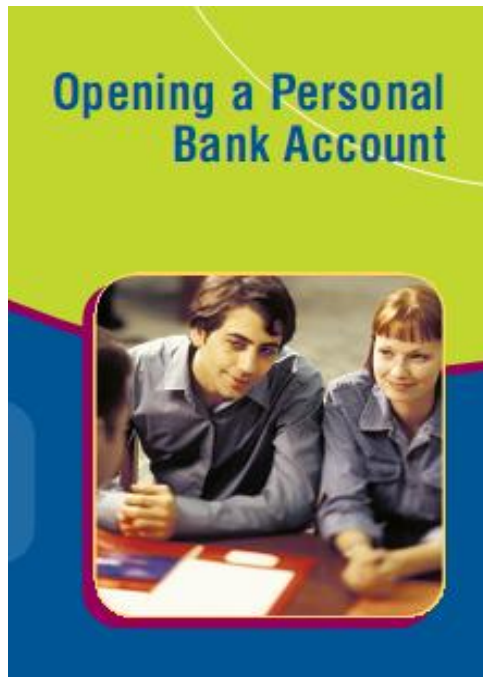
5. Explanation of Bank Accounts

5.1. What is a Bank Account and for what we need a Bank Account?

“A bank account is a financial account with a banking institution recording the financial transactions between the customer and the bank and the resulting financial position of the customer with the bank.

Bank accounts may have a positive or *credit* balance where the bank owes money to the customer; or a negative or *debit* balance where the customer owes the bank money.

Broadly, accounts opened with the purpose of holding credit balances are referred to as deposit accounts; whilst accounts opened with the purpose of holding debit balances are referred to as loan accounts.”²



✚ After you have a Bank Account you can do several things like:

1. Get your wages,
2. Pay your bills, like electric bills, phone bills, home bills, tax bills ect,
3. Get you pension in your account, but you have to wait till it comes the time that the government will transfer your pension in your account,
4. If it needed two person can use the same account
5. Take money out if you have in your account thought the cash machine with a cash card (this is usually free but some banks make a charge),
6. Withdraw money in Pos Office, (if the Post

Office is connected with your Bank),

² From the Internet – Wikipedia: http://en.wikipedia.org/wiki/Debits_and_credits
www.google.com, www.answers.com.

5.2.Before you wan to open a Bank Account think about those things:

- 5.2.1. See if you have a near cash machine where you live to withdraw money and is it for free are do they charge you,
- 5.2.2. See if you can do any bank service in your near Post Offices,(pay bills, withdraw money)
- 5.2.3. See if it is a Bank building near your living place so you can check your Account and do other services that you need,
- 5.2.4. See if you can get the service you are looking for, from this bank, if this account fulfills your needs,
- 5.2.5. See if is a secure bank for your money,

5.3.Some questions that clients' do when they plan to open a bank account:

It depends what kind of account do you wan to open, but I am going to give you some usually questions that clients do before they open a bank account.

- 5.3.1. Dose it cost me to open an account, and if I open does they charge me for maintenance the account?
- 5.3.2. Do they inform me for the situation of my account, (the amount of the money, where I have done any pay, have I received any thing) time by time?
- 5.3.3. What if the bank charge me for maintenance of my account, and I have just 1€ left in my account, will they close me my account?
- 5.3.4. What can I do if I have just 8€ in my account, and the cash machine only gives more than 10€? Am I going to loss those 8€?
- 5.3.5. Can I open a bank account whatever my credit history is?
- 5.3.6. What proof will I need to open a bank account?
- 5.3.7. If I am blind, can I open a bank account?³

³ Just the facts about bank accounts- Money madeclear™

5.4.Procedure of opening a Bank Account

Everyone have the right to open a bank account, and also the law protects the right of opening an account.

After you decide to open a bank account and you decide and I which bank you wan to open you have to go in those procedures which are not boring and hard to do so.

First you have to go in a bank personally and to tell them that you need to open a bank account, you show the banks some identification; (your ID, valid passport, or car license).

Second they fulfill an application where they put your personal data's and other information for your account.⁴

5.5.How can I do transfers from one account to another, within one bank and between two different banks in the state and abroad?

You as a client of the bank, can do the transfer within the banks accounts and also with other account abroad, but everything depends on the banks policies. If you wan to do a transfer within the banks account you are aloud to do and are free of charge for banks, but if you wan to do any transfer within different banks that depends if your bank has any agreement with that other bank that you want to transfer your money.

⁴ Opening a Personal Bank Account

6. Bank Accounts in Kosova

A period of time after the war ended, in Kosova market come some foreign banks, and spread their offices in the territory of Kosova. With their arrivals Kosova started a new age in the banks system, where new things come in function, new bank accounts too. Those banks today provide many more services to the consumers, like different loans, different deposits, different accounts, and other services.⁵

Here is the list of the bank accounts that bank's in Kosova poses today.

Banks	Current Account	Saving Account for Kids	Saving Account	Time Deposit Account	Student Account
Kasabank	Current Account	Saving Account for Kids	Saving Account	Time Deposit Account	Student Account
Raiffaisen Bank	Current Account	Saving Account for Kids	Saving Account	NO	Student Account
BpB	Current Account	Saving Account for Kids "FATOSAT"	Saving Account	Time Deposit Account	NO
New Bank of Kosova	Current Account	NO	Saving Account	Time Deposit Account	NO
ProCredit Bank	Current Account	Saving Account for Kids "PROKID"	Saving Account	Time Deposit Account	Student Account

⁵ Resources from Internet and Banks like: (ProCredit Bank, Raiffaisen Bank, Kasabank, BpB, Bank for Private Business, New Bank of Kosovo).

6.1.Current Account

It is a basic bank account that is opened by any individual which enables access to various products and services that our bank offers to them. From this account the client benefits those services and products such as:

1. Salary receiving,
2. Various internal or external money transfers,
3. Receiving loans,
4. Use of overdraft, and
5. Automatic payment.

Legal entities have additional benefit from current account, possibility of using cheques as payment instrument. Besides of all those services the client also benefit in the safety and flexibility, through debit cards, which enables you access to money 24 hours a day, anywhere in Kosova and abroad.

In order to open a current account a person needs only to have a valid ID if is a resident of Kosova, whereas foreign citizens need only a valid passport. Opening a current account is a charge-free. Mostly of the banks all around the world have charge-free for opening an account.

6.1.1. Positive and negative site of Current Account

6.1.1. Positive Site

- 1.1 Safety place,
- 1.2 Flexibly place,
- 1.3 Able to withdraw the money 24H/7D (24 hours /7days),
- 1.4 Salary receiving,
- 1.5 Pay bay the banks account bills,
- 1.6 Easy transfer,
- 1.7 Opening a current account is free of charge,
- 1.8 Withdraw money with card and pay with the card to.

6.1.2 Negative Site

- 1.1. You don't get any percentage for depositing the money in current account,
- 1.2. If those banks bankrupt you can easy your money,
- 1.3. You don't have your money in your hand in case if you need in that moment,

6.2. Saving Account

The saving account serves to the clients as safe wallet some where they can put all the money and with a percentage for an amount of time they will take more money that they have putted before. The percentage of the saving account depends on the banks. Banks decide the percentage of the saving account bay theme self, depending on their policies. Also the percentage depends on the amount of the money that is deposited in the saving account. The client's interest is calculated on a daily basic and is credited on the saving account at the end of December, which means that the client will receive the interest for the number of days the money was in the account, at the end of the calendar year. Conditions for opening a saving account are that if the client is a citizen of Kosova, he/she must have a valid ID (ID cart, valid passport, driver license); whereas foreign citizens only with their valid passport. **Saving Accounts are not offered to legal entities.** Opening a Saving Account is free of charge.

6.2.1. Positive and negative site of Saving Account

6.2.1 Positive Site

- 2.1. Saving your money in a safety place,
- 2.2. Getting a percentage for depositing your money in saving account,
- 2.3. Opening a saving account is free of charge,
- 2.4. Not spending your money (You don't have your money in your pocket so you don't spend theme)

2.5. When you deposit money in a saving account, you will contribute in two ways. First that you are going to tack a percentages like 2% or more (depends on the bank policies), and the second is that some percentage from you saving goes to the state.

6.2.2 Negative Site

- 2.1 Not having your money in your pocket,
- 2.2 You can't withdraw money with card outside the bank object,
- 2.3 Not withdraw 24H/7D,

6.3. Time deposit account

Are accounts that are provided to those clients that have saving money which they don't need for a certain time period and which aim at a high interest. Those accounts are called TIME DEPOSTI ACCOUNT. Banks provide various interest rates and this depends a lot on the amount deposited and the length of the contract. The longer the time period is the higher the interest. The client decides for how many month or years he/she will deposit the money. This depends on the plans that the client has for his savings.

Depending on the client's need, he/she may be offered also the opportunity of automatic renewal, which means that after the first contract period ends the client receives the previous interest and the agreement is renewed without the presence of the client. The agreement may be terminated at any time by the client, where the money is then transferred to the current account.

6.3.1. Positive and negative site of Time Deposit Account

6.3.1. Positive Site

- 3.1. Depositing for longer time,
- 3.2. Getting a percentages for depositing the money in (TDA),
- 3.3. Saving your money in a good way,

6.3.2. Negative Site

- 3.1. Your money is stoked in the account for a period of time, if you need your money earlier, you can't withdraw before the time you have decided in contract.
- 3.2. Once you have done the contract you can't change it,
- 3.3. Not withdraw 24H/7D,

6.4.Student Saving Account

If you are a student, banks have think and about you. Students have a changes to open a Student Saving Account where you can save your money form any risk like: losing, thief's can still from you, or you wan to go in a party and your money are at the bank, so you can't do a withdraw, at the end you money will be saved.

Also you will get a percentage from the bank that you are depositing your money. Here we are going to do a calculation of how much will you earn for 3 years of your studies of depositing money in a student saving account, so after the graduation you can buy a car. Here the table tells as the calculation:

Student Saving Account (Depositing for each year)-4%				
Months	Deposit €	Year 1	Year 2	Year 3
January	50	50	50	50
February	60	60	60	60
March	80	80	80	80
April	60	60	60	60
May	70	70	70	70
June	80	80	80	80
July	30	30	30	30
August	20	20	20	20
September	50	50	50	50
October	45	45	45	45
November	55	55	55	55
December	150	150	150	150
Total	750	780	1561.2	2373.65

6.5.Children’s Saving Account

Is an account especially dedicated for the young (children) clients’ saving which brings interest; through this account, we want to create a saving amongst children at the early stages, in order to provide for a better future. In this account the children does not have the right to withdraw money till the age 18, while the parents, as a legal representative of the account can withdraw money from the bank at any time.

In order to open this account, parents of the child needs to present a valid identification document which must include a birth certificate or a valid passport. The benefit of this account depends on the banks polices.

6.5.1. Positive and negative site of Children’s Saving Account

6.5.1.Positive Site

- 5.1. Your kid will have an amount of money when he/she will grow up to age 18,
- 5.2. Parents can withdraw money if they need,
- 5.3. You will get a percentage for that time that your money will stay in the saving account,
- 5.4. Withdrawing after you will be 18,

6.5.2. Negative Site

- 5.1. Your kid can not withdraw the money under age 18,
- 5.2. Just your parents can withdraw the money before you will be 18,

✓ An example for Children saving account, how much you are going to get if you deposit for each year 1600+3% from the bank?

Depositing 1600 Euros for each year and getting 3% for each year for Bank									
Depositing	Year 1	Year2	Year3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
1600	3248	4896	6544	8192	9840	11488	13136	14784	16432
	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18
	18080	19728	21376	23024	24672	26320	27968	29616	31264

6.6. Another possibility

Some banks have another possibility of saving money, and this is called Profit Plus (ProCredit Bank); it is a way of saving money in very adequate and flexible condition. Profit Plus is a saving agreement with a time-frame of 5 years which is divided into 10 times periods of 6 months. At the end of each period the client receives the accumulated interest for the period.

A fact; In case of terminating the time deposit before the end of the contract, then the client only receives the interest for the finished periods while the calculated interest for the unfinished periods is lost.

6.7. Account Packages

Bank packages are a good way of choosing good services that some banks in Kosovo offer to the client's. Each package contains products that will fulfill the clients' needs and will bring them additional funds.

It depends to the banks service of what Packages banks offer, like ProCredit offers ProDynamic, ProDirekt, and ProDynamic Plus, others offer much kind of packages.

7. The comparison of Banking Services in Kosova before and after the war- (1998-99) with a special emphasis on Bank Accounts offered.

Many people in Kosova lost large amount on the savings in their saving accounts, as the old Yugoslavia broke up at the start of the 1990s, and its state-run banking system was unable to cope without freezing assets. Since then, Kosova struggled to jump-start the economy through its struggling banking system. So people of Kosova were no surer to deposit their moneys in the Ex-Yugoslavia Banks.

Many people had depression for many years because they lost their money; they lost their saving for many years.

Ex-Yugoslavia had about 100 small commercial banks with bad loans amounting to more than US\$4 billion. Under-capitalization (insufficient funds) is rampant and, according to official data, the assets of the 10 largest banks in Ex-Yugoslavia now total about US\$3.5 billion, or 60 percent of all the bank assets.

Some experts estimate that even this model's number is overstated by approximately 25 percent, because the banking system is not sound. Around 50 percent of assets were of low quality, while another 40 percent are non-performing.

Confidence in banks was destroyed after the sequestration by the state of the population's hard currency savings of US\$3.4 billion for its war effort in 1991-92 and the collapse of a series of pyramid schemes in the early 1990s.

Throughout the 1990s, most banks transferred hard currency to Serbia or to some of the socially-owned/State-owned industries in Kosova.

Than Albanians and non-Serbs managers and workers were dismissed from these industries to facilities the hiring of ethnic Serbs. As these companies began to physically deteriorate and resource transfers to Serbia became less frequency, the remaining banks let the Kosova market.

This pattern in the banking sector- along with the attempted legal liquidation of BankKos- become the financial counterpart of the de-industrialization of Kosova following the revocation of its status as an autonomous province.

Prior to the 1999 conflict, Kosova had five major banks and reportedly 54 branches of Serbia banks. However assets, loans, deposits, capital and other generally standard bank balance sheet data however were not reported- except for the “indigenous” Economic Bank, a successor to the closed Bank Kos.

If gauged by reposting standards found in other dinar-denominated economic areas, these data would have been meaningless even if reported. This is because assets and loans did not reflect loss provisioning or write-offs as is customary in international practice.

Deposits would have reflected frozen foreign exchange deposits of about US\$ 1 billion (transferred to Belgrade in 1990). On the other hand, capital would not have been adjusted for negative earning retained over the years.

Also, the downward impact of market-based valuations of fixed assets and their impact on net worth would not have appeared.

Without these adjustments, balance sheet reporting would have overvalued the asset base, active funding sources, and banking system capital- even prior to the conflict.

The four major banks operating prior to hostilities, three were reported to be operating until 1998/early 1999, thought only on a limited basis:

- **Bank Kos**, which was deactivated in 1990, but served the larger industrial enterprises and **agro-kombinats** from 1961 to its deactivation - similar to the role played by the older Privredna Bank in former Yugoslavia in today’s Bosnia-Herzegovina and Croatia.

- **Beobanka**
- **Ekonomik Bank**, which replaced Bank Kos in Kosovo in terms of general target clientele, and still has basic operational infrastructure. Persistent asset stripping, equipment cannibalization, transfers of funds, and dismissals of ethnic Albanians from industrial enterprises - all rendered the bank's activities progressively less important throughout the 1990s. By late 1999, Ekonomik Bank reportedly had only about Dinar 7 to 8 million in deposits (about DM 500,000, or less than US\$300,000).
- **Yugobanka**, which operated throughout Yugoslavia prior to its break-up, and still operates in Serbia, though it is now defunct in Kosovo.
- **Vojvidanska Bank**, which, like Ekonomik Bank, possesses some infrastructure for basic payment operations, but is now closed.

As in the rest of the country, under the model of "social ownership," these banks traditionally served as captive finance companies. They loaned money to their socially owned enterprise owners and provided numerous services to their respective employees.

These included accepting deposits, paying pensions, and providing other basic financial stewardship functions. Private sector accounts and shareholders were added in the 1990s, although their role was not significant because of the in formalization of the economy.

In general, the role of these banks diminished in the 1990s, as industries in Kosovo became increasingly run down, and ethnic Albanians and others found employment in the trade and service sectors (mostly in the gray economy). Bank branches from Serbia that operated in the market in the 1990s functioned more as unit banks, i.e., no or few branches.

Their main objective was to transfer hard currency from Kosovo to the vaults in Belgrade or into accounts abroad. Most of these banks had closed and returned to Serbia by early 1999.

Just after the war of 1998-99 the Kosova economy was completely destroyed, and it had to build everything from 0 to go up. No banks were in Kosova in that time any more.

And after the war in the year 2000 came the ProCredit Bank a German Bank, and after began the competition.

In Kosova you could see the big change in Banks field, new brand come for abroad. The brought new services, better services, better security and more opportunities.

And freely we can say that is a big change in banks system in comparison before and after the war, because now in Kosova Market is all new and Americano-European banks (system).

Some points that made the differences:

1. New products,
2. In application of new technology,
3. The currency,
4. The controlling system,
5. Better Management,
6. Different opportunities of Bank Accounts ,
7. More safety of depositing money,
8. Less change to loss your more,

You can see the differences very easily just look to the internet for some data about the history of the Banks before the War in Kosova and look to the web sites of those banks now and is done.

Year by year new banks are coming new brands, new opportunities, new places for work, new bank accounts.

7.5.The influence of new types of account in economical growth.

Before the author is going to explore you this topic, he is going to give some facts for some years before the war in Kosova Republic, if Banks in Ex-Yugoslavia helped the economical growth and if they helped Albanian business to growth up?

Almost no financial analysis was done to assess risk. Before the early 1990s, if enterprises needed additional funds, they would obtain them from the bank(s) they owned. This became more difficult in the 1990s after the imposition of sanctions.

Industries then began to cannibalize machinery and equipment, running down their industrial assets. Political criteria became more important than commercial value in obtaining funds during periods of tight liquidity.

Principal due was frequently rolled over without evidence of the debtor's ability to repay. Interest was frequently capitalized. Banks also took out mortgages and liens on their borrowers' assets to secure loans. These collateral values were dubious because of problems of "perfection" and the inability to assume ownership of properties used as collateral. Moreover, the judicial structure of the former system was not set up to enforce contracts or to resolve disputes in favor of creditors.

All of these factors contributed to a passive banking system, in which banks neither lent according to commercial criteria nor monitored for risk once loans were made.

In cases where loans were granted to Albanian-owned enterprises, in the 1990s they were frequently not repaid (with the consent of bank management) based on the belief among ethnic Albanians in Kosovo that Serbia had already expropriated deposits and other funds from them (i.e., to finance wars and to ease the effect of sanctions in Serbia).

But after the war things started to change for better, the European Banks started to look in the Kosova territory and started to operate.

The new type of the bank account has helped the economical growth more in indirect way. Banks in Kosova after the war had a new and a good start, and they began to develop new bank services to their client's like new types of bank account which were well expected from the Kosova peoples and businesses.

With those new account businesses had also a new and a good start, they began to deposit all the money in banks, people started to do many transactions thought the bank like getting their salaries, pay taxes, pay phone and electric bills.

Businesses had the change to see their capital and they had now a safety place to put(deposit), they started to pay their employers bay the bank services (accounts), to pay other bills like: phone, electric, tax ect. Also to buy the material they needed for their business thought the bank, receiving money from their clients and so one.

This made that the economy started to growth, and also they did help the business transaction to be easier.

Accounts have helped the businesses to have a free access to their funds, to control easier their business, and to have more relations with abroad investors. Also the accounts have help companies to have free access to their fund and to gather more goods and more quality goods and also to gather more investors.

Especially accounts have help the economy by gathering free founds and orienting theme in investments and in circulation, also transferring of founds (inside and outside the country) with lower costs and with high safety.

Here I am going to give you an example of how just after some Financial Institutions started to help businesses, maybe is not exactly for this topic (The influence of new types of account in economical growth), but tells what business in Kosova where missing.

As the Kosovo crisis came to an end in 1999, entrepreneurs struggled to reestablish their businesses and faced a tough reality. In addition to the general devastation of assets and property, there was no access to capital or modern banking services, and insufficient credit to support the recovery of private enterprises.

Many businesses such as BAST, a plastics manufacturer based in Prishtina, searched for capital but found funds only available to those who knew someone willing to lend excess cash. Without loans, BAST couldn't add equipment needed to produce the kinds of plastics now in demand

To provide credit and help businesses grow, USAID initiated a finance project for small and medium enterprises (SMEs) to access credit through the creation of the Kosovo Business Finance Fund (KBFF) which established a quick-response facility providing lending and credit to SMEs.⁶

One of the help that the bank account is giving to the businesses is the wages. Huge companies have an account and from that account they give the wages to their account employs. So both sides the company and the employs are using the account. In today life mostly of the companies are using this way of giving the wages.

Payments are done now thought the Bank Accounts with their buyers in every country of the world. Today if you do any business with foreign businesses you don't have to travel for your pay, you just tack the bank account number and transfer all the money that you are going to pay to you buyer.

⁶ www.usaid.gov/missions/kosovo

Also when you sell some thing you do the same thing that you have done with buying. You send your product to your buyer and he transfers your money in you banks account number as you have done with him/her.

7. CONCLUSION

As a student we need to work more and more in those aspects that our country has need, in those spaces that no one is taking care of, or not looking.

Coming in a conclusion is not very easy, the author want to conclude this topic with an understanding of his work, hi want to give an over view of what we did in this paper and what we need to do to have better future.

At the fist paragraphs the author gives some historical data's of what banks are, what they are for, which were the first banks in the world (an over view for banks in the past). We see that banks are very old like a financial institution. They played a very big role in the industry and now they played the main role of the industry and the economy.

We see that time by time banks started to be better and as important as the economy it's self. After the author gives all those information's, he stated to be focused more specifically in Bank Accounts.

In this paper you see that what kind of Accounts we have in Kosova Banks, and what are they for (what kind of services do they offer to the clients). In specifically way, it gives explanations for each one by one.

It wasn't easy to gather information form the period before the war because no data was left when Serbs left Kosova in 1999. The author had to use books, doing interviews with people that has been in the pas as employs, doing research in internet ect.

Some banks supported me with vey important information about the banks account in Kosova now.

During my interview with some businesses that I did to see how the new types of bank account helped their business to growth I had to use a questioner that you can find to the Appendix A.

And I come in some conclusions about that questioner. In today life mostly each business has relations (business relations like contracts for loan ect) with banks especially medium and mostly huge businesses. Some of them say that without the Banks their business could not be in this position where it is. "My company is having progress thanks to the loan that I took to the X Bank and the way that I can do my payment thought my account in this X Bank.

Mostly of the businesses that have relations with banks are good progress and they like the way their banks treat them and what banks serve to the business. But in you compare the banks services in the past (before the war) and now, for companies that are working with banks is a big step (big change) different.

All companies deposit their money in banks accounts because they are not afraid from loosing them like it has happened in the pas with Ex-Yugoslavian banks where Albanian companies and people loss with thousand of their money.

Now business uses the current account because from this account they do many transactions and it is in a faster's way and safety.

The new bank account helped business to growth because they can do their business in a faster and safety way that they missed.

I am mansion this faster and safety because those are the two main standards (bearing) for a good business and for a long life business.

8. REFERENCES

¹The data's is taken from University of Prishtina (UP).

²The internet –Wikipedia: http://en.wikipedia.org/wiki/Debits_and_credits,
www.google.com , www.answers.com.

³Just the facts about basic bank accounts-



⁴Opening a Personal Bank Account-



⁵Resources form Internet and Banks theme self; (ProCredit Bank, Raiffaisen Bank, Kasabank, BpB, Bank for Private Business, New Bank of Kosovo).

A. Accounting Books:

✚ [Encyclopedia of Finance, edited by – CHENG-FEW LEE,](#)

[Rutgers University and ALICE C. LEE San Francisco State University.](#)

✚ [Encyclopedic Dictionary of International Finance and Banking, Jae K. Shim ,](#)
[Michael Constas,](#)

✚ [Financial Analysis with Microsoft Excel 2002,](#)

✚ [Risk Management in Banking, Joël Bessis,](#)

✚ [Understanding International Bank Risk, Andrew Fight](#)

B. Banks websites:

✚ Bank websites like; , www.bpk-kos.org, www.bankaekonomike.com, www.bpb-bank.com,
www.kasabank.com, www.procreditbank-kos.com, www.brk-bank.com, www.raiffeisen-kosovo.com , www.usaid.gov/missions/kosovo

Appendix A

The questioner for Entities:

- 1. How is your relationship with banks in Kosova?**
- 2. What opportunities do they give you, specifically in Bank Accounts?**
- 3. What is the difference between the banks in the past (before the war) and now?**
- 4. How helpful are banks today in Kosova?**
- 5. What kind of account do you use mostly?**
- 6. Did new bank accounts helped in your business to go up?**

Those are the main question that I have been focused during my interviews with some small and medium businesses.