

Principles of Banking Icom Part 2 English Medium Chapter 11 Online Test

Sr	Questions	Answers Choice
1	What does IOU mean	A. I am a debtor to you B. I am a creditor to you C. Both a and b D. None of these
2	Which of the following is an order of payment by one post office for another post office	A. Postal order B. Money order C. Both a and b D. None of these
3	Which of the following is useful in facilitating trade relation between the businessmen of different countries	A. Bank draft B. Money order C. Letter of credit D. Stock certificate
4	If there is no guarantee to honour a letter of credit then it is called:	A. Confirmed letter of credit B. Irrevocable letter of credit C. Unconfirmed letter of credit D. None of the above
5	The letter of credit which can be endorsed to another person is called:	A. Special L.C B. Transferable L.C C. Resolving L.C D. None of the above
6	Where are the stock certificates sold and bought	A. At commercial bank B. At central bank C. At post office D. At stock exchange
7	Which of the following can be cancelled by the issuing bank without the consent of the other parties	A. Revocable letter of credit B. Irrevocable letter of credit C. Revolving letter of credit D. Unconditional letter of credit
8	The first stage or step between importer and exporter for the purpose of sale and purchase is:	A. Oath or undertaking B. Agreement C. Contract with bank D. Issuing of L.C
9	Which of the following is used to finance the people who want to travel abroad	A. Traveller's letter of credit B. Traveller's cheque C. Circular note D. All the above
10	Which of the following parties of a letter of credit is called beneficiary	A. Importer B. Exporter C. Opening bank D. Advising bank
11	What is the nature of credit instrument IOU	A. An autograph B. A monograph C. A holograph D. A sonograph
12	Which one can be crossed :	A. Money order B. Postal order C. Credit card D. All of the above
13	Which letter of credit is issued for a single or particular transaction:	A. Fixed B. Revocable C. Red clause D. Green Clause
14	Which of the following gets facility due to commercial letter of credit:	A. Home traders B. Exporter C. Importer D. Both exporter and importer
15	Which letter of credit is automatically renewed by fulfilling certain conditions	A. Fixed B. Documentary C. Confirmed D. Revolving

16	IOU is a document	A. Negotiable B. Non-negotiable C. Conditional negotiable D. Unconditional negotiable
17	If the exporter is not the receiver (beneficiary) of money then a letter of credit is called:	A. Resolving B. Back to Back C. Transferable D. None of the above
18	I Owe You is a written instrument drawn by	A. Trader B. Debtor C. Creditor D. All the above
19	Commercial letter of credit is issued for the facility of:	A. Ambassadors B. Common people C. Businessmen D. All of the above
20	Which of the following is a non-commercial letter of credit	A. Irrevocable letter of credit B. Red-clause letter of credit C. Special letter of credit D. Traveller's letter of credit
