

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

Sr	Questions	Answers Choice
1	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
2	Which of the following parties of a letter of credit is called beneficiary	A. Importer B. Exporter C. Opening bank D. Advising bank
3	What is the nature of credit instrument IOU	A. An autograph B. A monograph C. A holograph D. A sonograph
4	What does the bank receive on issuing a letter of credit:	A. Profit B. Interest C. Commission D. Duty
5	Where are the stock certificates sold and bought	A. At commercial bank B. At central bank C. At post office D. At stock exchange
6	Which letter of credit is automatically renewed by fulfilling certain conditions	A. Fixed B. Documentary C. Confirmed D. Revolving
7	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
8	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
9	Which letter of credit is accompanied by some documents	A. Confirmed B. Documentary C. Non-documentary D. All the above
10	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
11	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
12	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
13	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
14	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
15	I Owe You is a written instrument drawn by	A. Trader B. Debtor C. Creditor D. All the above

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16	What is recieved by the post office on money order:	A. Profit B. Interest C. Commision D. All of the above
17	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
18	Commercial letter of credit is issued for the facilty of:	A. Ambassadors B. Common people C. Businessmen D. All of the above
19	Which of the following gets facility due to commercial letter of credit:	A. Home traders B. Exporter C. Importer D. Both exporter and importer
20	The important types of banker's letter of credit:	A. Two B. Three C. Four D. None of these

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