

Principles of Banking Icom Part 2 English Medium Chapter 12 Online Test

Sr	Questions	Answers Choice
1	Features of I.O.U. are	A. Written form B. Evidence of debt C. Fixed amount D. All of these
2	Which of the following theories is associated with the working of international gold standard	A. Mint par parity theory B. Purchasing power theory C. Balance of payments theory D. All of the above
3	If the demand of any country's currency increases then rate of exchange becomes	A. Favorable B. Unfavorable C. Both a and b D. None of these
4	Letter of credit state a limit of.	A. Credit B. Time period C. Bank D. None of these
5	Transfer of money from one palce to another place with the help of post office.	A. Cheque B. Draft C. Money order D. None of these
6	The kind of commercial letter of credit includes.	A. Revocable L.C. B. Unconditional L.C. C. Confirmed L.C. D. All of these
7	Letter of credit is opened by.	A. Importer 's bank B. Exporter's bank C. Wholse seller D. None of these
8	Foreign exchange control reduces the	A. Circulation of capital B. Export of capital C. Import of capital D. None of the above
9	The money sent through post office from one country to another	A. Traveller's cheque B. Bank draft C. Letter of credit D. International money order
10	Paying bank with respect to a letter of credit is called.	A. Advising bank B. Informatory bank C. Both these D. None of these
11	Non geogibale credit instruemnt are.	A. Letter of credit B. I.O.U C. Money order D. All of these
12	What is the objective of foreign exchange control	A. To stabilize exchange rate B. To increase government revenue C. Favorable balance of payment D. All the above
13	Upper specie point is got by adding the delivery charges in following metal	A. Silver B. Gold C. Iron D. Copper
14	The word IOU means.	A. I am your creditor B. I am your debtor C. I am your friend D. None of these
15	The example of non commercial letter of credit.	A. Red clause L.C. B. Green clause L.C. C. Traveler's L.C. D. Documentary L.C.

16	Which party of the L.C. is called beneficiary.	A. Opening bank B. Buyer C. Exporter D. Ex porter's bank
17	The L.C. which is accompanied by some documents is called.	A. Documentary L.C. B. Revolving L.C. C. Back to back L.C. D. Simple L.C.
18	Generally, the instruments which are used in foreign receipts and payments called	A. Exchange rate B. Foreign exchange C. Letter of credit D. All of the above
19	Parties involved in money order.	A. Two B. Three C. Four D. Five
20	The term foreign exchange includes	A. Bank draft B. Letter of credit C. Foreign B/E D. All the above