

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

Sr	Questions	Answers Choice
1	The term foreign exchange includes	A. Bank draft B. Letter of credit C. Foreign B/E D. All the above
2	The word L.C stand for.	A. Long credit B. Less credit C. Letter of credit D. None of these
3	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
4	If there is no gurantee to honour the L.C. It is called.	A. Documentary L.C. B. Revolving L.C. C. Back to back L.C. D. Unconfirmed L.C.
5	Letter of credit is opened by.	A. Importer 's bank B. Exporter's bank C. Wholse seller D. None of these
6	Which of the following changes cause to change in foreign exchange rate	A. Change in export and imports B. Change in capital flow C. Change in bank rate D. All the above
7	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
8	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.
9	The more increase in exchange rate for a country under gold standard is called	A. Lower specie point B. Middle specie point C. Upper specie point D. None of the above
10	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
11	Which of the following nature does IOU have.	A. An autograph B. A monograph C. A sonograph D. A holograph
12	Which of the following rate keeps the balance of payments in equilibrium	A. Discount rate B. Interest rate C. Exchange rate D. Market rate
13	The rate of exchange determined by two countries following non-convertible paper currency system is a point where	A. The purchasing power of currency is same B. The purchasing power of currency is different C. The purchasing power of currency is zero D. None of the above
14	The word IOU means.	A. I am your creditor B. I am your debtor C. I am your friend D. None of these
		A. Two

15	Parties involved in money order.	B. Three C. Four D. Five
16	The kind of non commercial letter of credit includes.	A. Traveler L.C. B. Circular note C. Credit card D. All of these
17	Letter of credit state a limit of.	A. Credit B. Time period C. Bank D. None of these
18	Transfer of money from one place to another place with the help of post office.	A. Cheque B. Draft C. Money order D. None of these
19	Which of the following is a non commercial L.C.	A. Revolving L.C. B. Traveler's cheque C. Unconfirmed L.C. D. Special L.C.
20	Parties involved in postal order	A. Two B. Three C. Four D. Five