

Principles of Banking ICOM Part 2 English Medium Chapter 2 Online Test

Sr	Questions	Answers Choice
1	Which is teh secondary function of commercial bank.	A. Accepting deposits B. Advancing loans C. Collection of cheques D. All of these
2	Which account is called non operating account.	A. Current account B. Saving account C. Fixed account D. BBA account
3	Because of low Reserve Ratio the credit creation power.	A. Increases B. Decreases C. Constant D. Zero
4	Heart of Financial Structure.	A. Commercial bank B. Central bank C. Consortium Banks D. All these
5	In Pakistan before 1974 commercial Banks were formed under.	A. Co's act 1932 B. Co's Act 1913 C. Co's Act 1984 D. None of these
6	Which bank does accept the deposits from public	A. Commercial bank B. Central bank C. Foreign exchange bank D. All the above
7	Which affairs of Banks are revealed by articles of Banks.	A. Internal B. External C. Political D. Financial
8	The amount (capital) recieved by bank after issuing shares is called:	A. Reserve capital B. Paid up capital C. Autherized capital D. Issued capital
9	Commercial bank create money.	A. Metallic B. Credit C. Paper D. All these
10	Formula for calculating total credit creation:	A. New deposit x 1/Reserve ratio B. New deposit x Reserve ratio/1 C. Reserve ratio x 1/New deposit D. None of the above
11	Polymer Currency includes	A. Debit card B. ATM card C. Credit card D. All of these
12	The higer the cash reserve ratio.	A. Credit creation zero B. Credit creation constant C. Higher the credit creation D. Lower the credit creation
13	Which amount is available for salaried and low income persons:	A. Current account B. Saving account C. Fixed deposit D. All of the above
14	For its customers a commercial bank sells and buys:	A. Foreign exchange B. Property C. Securities D. All of the above
15	Commercial bank advises its customers on	A. Household matters B. Financial matters C. Political matters D. All the above

16	United Bank Ltd. was formed on.	A. 1959 B. 1949 C. 1694 D. 1957
17	Cash reserve of commercial Banks includes.	A. Cash in hand B. Cash with SBP C. Balance with other banks D. All the above
18	If a credit card is lost, what should the holder do.	A. Report to employer B. Report to bank C. Report to insurance co. D. All the above
19	For commercial banks deposits are.	A. Assets B. Liabilities C. Income D. Expense
20	If the rate of interest (profit) on the bank deposits is higher then the banks keep:	A. Less cash reserve B. Less margin rate C. More cash reserve D. None of the above