

Principles of Banking Icom Part 2 English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	Central Bank provide the facility to Scheduled Banks.	A. Rediscounting Bills B. Clearing House C. Transfer of Money D. All the above
2	Which bank is called the mother or central banks	A. Reserve bank of India B. Bank of England C. State Bank of Pakistan D. Bank of Venice
3	What is meant by margin requirement	A. To advance loan less than the value of security B. To give less amount as interest than the amount of loan C. To advance more loan than the value of security D. To advance loan equal to the value of security
4	Modern central banking system started in	A. 18th Century B. 19th Century C. 20th Century D. None of these
5	What are the objectives of monetary policy	A. Stability in price B. Exchange stability C. Stability in capital market D. All of the above
6	Participation term certificates are issued in place of.	A. Shares B. Debentures C. NIT Units D. All these
7	The external value of local currency is stablized through:	A. Monetary policy B. Increase in prices C. Trade policy D. All of the above
8	Which principle is followed by central bank to issue currency notes	A. Currency principle B. Banking principle C. Both principle D. None of the above
9	Scheduled Bank Can be registered under SBP Act.	A. 1956 Sec. 38 (1) B. 1957 Sec. 37 (1) C. 1956 Sec. 137 (1) D. 1956 Sec. 43(1)
10	If credit money is controlled by the sale and purchase of government securities, it is called	A. Direct action B. Moral persuasion C. Change in reserve ration D. Open market operation
11	Central bank provides the following facility to scheduled banks:	A. Feast B. Godown C. Clearing house D. None of the above
12	Non -Scheduled banks are formed under.	A. Sole trader ship B. Firm C. Joint Stock Co. D. Co-operative society Act
13	Central bank is owned by	A. Public B. Government C. Commercial baks D. All of the above
14	Which form of automated payment would be better in paying wages to employee	A. BACS B. Standing order C. Direct Debit D. Credit transfer

15	The document acquire to convert non -scheduled into scheduled bank	A. Prospectus B. Debentures C. By laws copy D. Audited Annual Report
16	What is the objective of clearing house	A. To control credit money B. To clear the transactions of different banks C. Training of banking staff D. Re-discounting of bills
17	Which term is used in connection with monetary policy	A. Bank rate B. Exchange rate C. Wage rate D. Market rate
18	Teh section of Banking company ordinance of Paksitan 1962 the minimum Capital Requireemnt of Scheduled Banks in or outside Pakistan is.	A. Sec. 14 B. Sec . 13 C. Sec. 16 D. Sec. 17
19	Scheduled Banks can keep his totl assets outsinde the country.	A. 80% B. 60% C. 40% D. 20%
20	The institution responsible for the contraction and expansion of money in the best interest of general public is called:	A. Commercial bank B. Clearing house C. Central bank D. Chamber of commerce
21	Centrak Bank Act as Lender of Last Resort to.	A. Scheduled Bank B. Foreign Bank C. Non-Sheduled bank D. All the above
22	Credit money in the country is controlled by	A. Central bank B. Commercial bank C. Industrial bank D. Agricultural bank
23	Can open new branch without the consent of Centrla Branch.	A. Scheduled Bank B. State Bank of Pakistan C. Non -Scheduled Bank D. Bank of England
24	Under which Section Scheduled Bank are bond to keep 80% of their Asset in country.	A. Section 38 B. Section 33 C. Section 37 D. Section 40
25	When was the first central bank of sub-continent established:	A. 1635 B. 1732 C. 1835 D. 1935
26	It is necessary for scheduled bank to.	A. Obey SBP B. Submit report to SBP C. Get the Book checked D. All the above
27	The central bank works under the rules framed by:	A. Government B. People C. Different banks D. All of the above
28	Participation term certificate are issued by.	A. Sole trader ship B. Firm C. Joint Stock Co. D. Co-operative society
29	Important functions of a central bank:	A. To issue currency notes B. To provide banking facilities to government C. To advise commercial banks D. All of the above
30	In the Presence of Clearing House Scheduled Banks keeps.	A. Less Cash Reserve B. More Cash Reserve C. No cash reserve D. Fixed cash reserved
31	Which function does a central bank not perform	A. Credit creation B. Advancing loans C. Lender of last resort D. Banker of the public

A. Central Bank
B. world Bank

32	The Bank are called Scheduled Bank which are registered with the.	<p>C. None of them</p> <p>C. Bank of England</p> <p>D. All the above</p>
33	Under fixed fiduciary system, if notes are issued in excess of fiduciary limit then how much value of precious metal or foreign exchange is kept as reserve for over issue	<p>A. 5%</p> <p>B. 10%</p> <p>C. 30%</p> <p>D. 100%</p>
34	Central bank bank supervises one of the following systems of a country:	<p>A. Provincial</p> <p>B. Political</p> <p>C. Economical and financial</p> <p>D. None of the above</p>
35	What is the purpose of monetary policy	<p>A. To control banking system</p> <p>B. To control supply of money</p> <p>C. To control foreign exchange</p> <p>D. To control stock market</p>
36	Which is the quantitative method of credit control	<p>A. Change in reserve ratio</p> <p>B. Change in margin requirement</p> <p>C. Selective control</p> <p>D. Publicity</p>
37	Non- Scheduled banks are formed under co-operative society Act.	<p>A. 1932</p> <p>B. 1925</p> <p>C. 1984</p> <p>D. 1911</p>
38	Scheduled bank is bound to keep with the Country.	<p>A. 80% of Total Assets</p> <p>B. 60% of Total Assets</p> <p>C. 40% Total Assets</p> <p>D. 20% Total Assets</p>
39	Documents required to convert non scheduled bank into scheduled bank.	<p>A. Memorandum of Association</p> <p>B. Articles of Association</p> <p>C. Audited Annual Report</p> <p>D. All the above</p>
40	Which method or methods are prevailing in Pakistan for issuing notes	<p>A. Fixed Fiduciary System</p> <p>B. Proportional Reserve System</p> <p>C. Both a and b</p> <p>D. None of the these</p>
41	Example of Non scheduled is	<p>A. ABL</p> <p>B. AL-Meezan Investment Bank</p> <p>C. HBL</p> <p>D. NBP</p>
42	Pakistan's central bank was established in:	<p>A. 1947</p> <p>B. 1948</p> <p>C. 1949</p> <p>D. 1950</p>
43	State Bank of Pakistan Act is	<p>A. 1932</p> <p>B. 1962</p> <p>C. 1984</p> <p>D. 1997</p>
44	The transmission of following is stopped due to clearing house:	<p>A. Credit money</p> <p>B. Metallic money</p> <p>C. Cash money</p> <p>D. All of the above</p>
45	In case of inflation in the country, the rate of margin is:	<p>A. Increased</p> <p>B. Reduced</p> <p>C. Waived</p> <p>D. All of the above</p>
46	Riba Bank of Sweden became central bank in:	<p>A. 1568</p> <p>B. 1668</p> <p>C. 1768</p> <p>D. None of the above</p>
47	Scheduled Banks are registered under state bank act.	<p>A. 1956</p> <p>B. 1984</p> <p>C. 1962</p> <p>D. 1932</p>
48	Min. Paid up capital of scheduled Bank in Pakistan on 31st December 2011 will be.	<p>A. Rs. 05 million</p> <p>B. Rs. 06 million</p> <p>C. Rs. 10 Billion</p> <p>D. Rs. 07 billion</p>
49	Under which Section Scheduled Bank can open new branch.	<p>A. Section 38</p> <p>B. Section 39</p> <p>C. Section 40</p> <p>D. Section 41</p>

50	Qualitative methods of monetary policy do not include:	A. Direct actions B. Publicity C. Bank rate policy D. Moral persuasion
51	Non -Scheduled bank means a bank which is not registered with.	A. Stock Exchange B. World Bank C. Central Bank D. Scheduled bank
52	If the quantity of money in circulation increases then this situation is called:	A. Inflation B. Deflation C. Money market D. All of the above