

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

Sr	Questions	Answers Choice
1	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>
2	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>
3	Central bank provides the following facility to scheduled banks:	<p>A. Feast</p> <p>B. Godown</p> <p>C. Clearing house</p> <p>D. None of the above</p>
4	What is meant by margin requirement	<p>A. To advance loan less than the value of security</p> <p>B. To give less amount as interest than the amount of loan</p> <p>C. To advance more loan than the value of security</p> <p>D. To advance loan equal to the value of security</p>
5	Which function does a central bank not perform	<p>A. Credit creation</p> <p>B. Advancing loans</p> <p>C. Lender of last resort</p> <p>D. Banker of the public</p>
6	The document acquire to convert non -scheduled into scheduled bank	<p>A. Prospectus</p> <p>B. Debentures</p> <p>C. By laws copy</p> <p>D. Audited Annual Report</p>
7	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>
8	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>
9	State Bank of Pakistan Act is	<p>A. 1932</p> <p>B. 1962</p> <p>C. 1984</p> <p>D. 1997</p>
10	Pakistan's central bank was established in:	<p>A. 1947</p> <p>B. 1948</p> <p>C. 1949</p> <p>D. 1950</p>
11	The external value of local currency is stabilized through:	<p>A. Monetary policy</p> <p>B. Increase in prices</p> <p>C. Trade policy</p> <p>D. All of the above</p>
12	Credit money in the country is controlled by	<p>A. Central bank</p> <p>B. Commercial bank</p> <p>C. Industrial bank</p> <p>D. Agricultural bank</p>
13	Which bank is called the mother or central banks	<p>A. Reserve bank of India</p> <p>B. Bank of England</p> <p>C. State Bank of Pakistan</p> <p>D. Bank of Venice</p>
14	It is necessary for scheduled bank to.	<p>A. Obey SBP</p> <p>B. Submit report to SBP</p> <p>C. Get the Book checked</p> <p>D. All the above</p>

15 Non -Scheduled banks are formed under.
A. Sole trader ship
B. Firm
C. Joint Stock Co.
D. **Co-operative society Act**

16 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**

17 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

18 The transmission of following is stopped due to clearing house:
A. Credit money
B. Metallic money
C. **Cash money**
D. All of the above

19 Under which Section Scheduled Bank can open new branch.
A. Section 38
B. Section 39
C. **Section 40**
D. Section 41

20 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**