

Principles of Banking Icom Part 2 English Medium Chapter 8 Online Test

Sr	Questions	Answers Choice
1	Cheque is always payable on.	A. Phone call B. At sight C. After banking hour D. On demand
2	Two transverse parallel lines on the face of cheque.	A. Crossing of cheque B. Dishnoring of cheque C. Endorsed of cheque D. Retirement of cheque
3	Bank prefers to advance loan on such documents	A. Which are easy to keep B. Which are transferable C. Whose price can be determined easily D. All the above
4	The loans obtained for meeting the administrative expenses and purchase of raw material are:	A. Short term loans B. Medium Term loans C. Long Term loans D. All of the above
5	Negotiable credit instrument.	A. Control credit B. Stop credit C. Create credit D. None of these
6	The cheque which cannot be cashed on the bank counter.	A. Bearer cheque B. Crossed cheque C. Order cheque D. Both bearer and order
7	The types of credit instrument are.	A. Four B. Two C. three D. None of these
8	The word credit has been derived from a latin word.	A. Credo B. Credere C. Creditor D. None of these
9	The main sources of bank's fund are	A. Own capital B. Deposits C. Loan from other banks D. All the above
10	Which things can be accepted by bank as security at the time of granting loan	A. Gold and silver B. Property C. Shares and debentures of company D. All the above
11	The goods or items accepted as security for advancing loan should not be:	A. Durable B. Insured C. Under burden D. Liquid
12	Why does a bank grant loans to businessmen	A. To purchase raw material B. To pay wages C. To pay development expenditures D. All the above
13	Negotiable instruments are defined by Act.	A. 1881 B. 1857 C. 1694 D. 1935
14	The commercial banks provide the following type of loan by discounting the B/E:	A. Short term B. Medium term C. Long term D. All of the above
15	Popular types of loan issued by the bank according to term are	A. Two B. Three C. Four D. Five

		D. Five
16	Security is a powerful tool that ensure the repayment of:	A. Deposit B. Debt C. Interest D. None of the above
17	Who does accept the responsibility for repayment debt	A. Guarantor B. Personal security C. Both a and b D. None of these
18	On which of the following amount of overcraft, bank receives interest:	A. Fix B. Total C. Used D. All of the above
19	The person in who's favor a cheque is endorsed is called.	A. Endorser B. Debtor C. Endorsee D. None of these
20	Main uses of bank funds are	A. Advancing loans B. Direct investment C. Both a and b D. None of these
21	The loan which can be demanded at any time are called	A. Short term loans B. Demand loans C. Overdraft D. All the above
22	If the bank refuses to pay the amount of cheque.	A. Discounting B. Crossing C. Dishonoring D. None of these
23	Negotiable credit instruments does not includes.	A. Cheque B. ATM card C. Draft D. Promissory
24	Which of the following is a highly marketable security	A. Document of title to goods B. Shares and debentures C. Immovable property D. All the above
25	Account payee only in the transverse parallel line.	A. Bearer cheque B. Special crossing C. General crossing D. None of these
26	Alternation in cheque must be signed by.	A. Payee B. Debtor C. Drawer D. All of these
27	The document which reveals the ownership of goods kept on port:	A. Bill of lading B. Dock warrant C. Delivery order D. Railway receipt
28	The numebr of parties in a cheque are.	A. Two B. Five C. Four D. Three
29	Crossing makes the cheque	A. Acceptable B. Dishonour C. Safe D. None of these
30	The loans which are issued for the period of one to five year called	A. Demand loans B. Short term loans C. Medium term loans D. Long term loans
31	Parties involved in a cheque.	A. A/c holder B. Bank C. Payee D. All of these
32	Security is a powerful tool that ensure tthe repayment of:	A. Deposit B. Dept C. Interest D. None of the above
		A. Non-material B. Material

33	Long term is advanced against the following security:	<p>B. Immaterial C. Personal D. All of the above</p>
34	Long term loan is advanced against the following security:	<p>A. Non-material B. Material C. Personal D. All of the above</p>
35	The loan which is granted by by bank to account holder on temporary basis called	<p>A. Cash credit B. Overdraft C. Demand loan D. None of the above</p>
36	What is meant by the principle of diversity regarding issuance of loan	<p>A. Lending only to those who can repay the debt at short notice B. Lending against some material security C. Lending in terms of sure repayment D. Lending to different businesses or individuals</p>
37	Long term loan period is consisted of:	<p>A. Days B. Months C. Years D. All of the above</p>
38	What is called a good security	<p>A. Whose price can be determined easily B. Which does not have any government restriction C. Whose ownership is totally clear D. All the above</p>
39	In case of mortgage, the property remains in the possession of:	<p>A. Lender (creditors) B. Borrower (debtors) C. The government D. All of the above</p>
40	What is meant by hypothecation	<p>A. To hand over the goods or documents of title to goods by a customer to the bank as a security against a debt B. To hand over the documents of property by a customer until the repayment of debt C. A type of security in which neither the ownership nor the possession passes to the bank D. A receipt of loan which shows that money has been borrowed against an immovable property as a security</p>
41	Cheque consists of future date is called.	<p>A. Out date B. Post dated C. Anti dated D. None of these</p>
42	Cheque is a credit instrument.	<p>A. Partial negotiable B. Negotiable C. Non negotiable D. None of these</p>
43	On every cheque bank gets.	<p>A. Tax B. Profit C. Duty D. Commission</p>
44	Bank should advance loans to those people who are strong	<p>A. Financially B. Domestically C. Politically D. All the above</p>