

## ICS Part 2 Economics English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	Commercial banks accept deposits and provide	A. Money B. Loans C. Bill of exchange
2	State bank was established in .	A. 1948 B. 1950 C. 1952 D. 1954
3	Which is the source of interest for a bank	A. Advances B. Bills discounted C. Investments D. All
4	Profit and loss sharing is basis of finance under this system.	A. Islamic B. Capitalistic C. Socialistic D. None
5	Which is a function of commercial bank	A. Acting as a govt. banker B. Fixing the exchange rate C. Making loans D. Issuing bank notes
6	Demand deposits mean	A. Saving account B. Chequeable deposits C. Profit loss account D. Time deposits
7	A bank has Rs. 5 million in cash. The minimum reserve ratio is 20%. What is maximum potential increase in total deposits.	A. 25 m B. 10 m C. 5 m D. 0 m
8	Which type of card is not issued by commercial banks	A. Credit card B. Green card C. ATM Card D. Debit card
9	State bank of Pakistan is run by	A. Board of directors B. Board of managers C. Board of governors D. Board of bankers
10	The bank can give loans	A. Unlimited B. Equal to deposits C. less than deposits D. More than deposits
11	Credit money is controlled by	A. Central bank B. Market forces C. Commercial Bank D. Government
12	Demand deposits are	A. Bank notes B. Money C. Considered as near money D. Legal money
13	The following is not a bank liability.	A. Demand deposit B. Time deposit C. Loan D. Saving Deposit
14	If you borrow from a bank the amount which the bank charges is called.	A. Interest rate B. tax rate C. discount rate D. Market rate
15	When a commercial bank creates credit. Its immediate effect is that it raises.	A. The exchange rate B. The money supply C. The interest rate D. The real national income

16 Which is a monetary measure to increase employment.  
A. Increase in govt expenditure  
B. Reduce govt expenditure  
C. Increase in interest rate  
D. Reducing interest rate

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17 10-Rupees note is issued by  
A. National Bank  
B. State Bank  
C. Govt. of Pakistan  
D. Governor State bank

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18 Credit money is created by  
A. Central bank  
B. Commercial Bank  
C. Government  
D. All of the above

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19 Out following the only recognised legal tender is  
A. Cheque  
B. Currency notes and coins  
C. Notes and cheques  
D. Credit card

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20 Which is considered liability by a bank  
A. Loans  
B. Bank building and equipment  
C. Time deposit  
D. Securities

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