

ICS Part 2 Economics English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	Banks discount it and advance loans.	A. Draft B. Bill of exchange C. Pay Order D. Gold
2	Bank Prepare their balance sheet.	A. Weekly B. Monthly C. Quarterly D. Annually
3	Which type of card is not issued by central banks	A. Credit card B. Debit card C. ATM Card D. None is issued by it
4	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
5	If a person is more interested to earn income he should deposit his money in	A. Demand deposits B. Time deposit C. Saving account D. Profit loss account
6	Which organisation controls the banking system in most countries.	A. Central Bank B. Commercial bank C. Investment bank D. World bank
7	Credit money is created by	A. Exchange bank B. Commercial Bank C. Finance companies D. None of the above
8	Cash cannot be directly obtained from a bank against	A. Cross cheque B. Order cheque C. bearer cheque D. Traveller cheque
9	An asset is liquid when it is	A. Being traded frequently B. Earning a good rate of return C. Is money or easily converted into money D. All of the above
10	If a person is interested that his amount should be readily available as soon as he needs he should deposit his money in.	A. Demand deposits B. Time deposit C. Saving account D. Profit loss account
11	A bank has Rs. 5 million in cash. The minimum reserve ratio is 20%. What is the maximum potential increase in total deposits.	A. 25 m B. 10 m C. 5 m D. 0 m
12	Which is a function of a commercial bank	A. Acting as a govt. banker B. Fixing the exchange rate C. Making loans D. Issuing bank notes
13	Credit money is controlled by	A. Central bank B. Market forces C. Commercial Bank D. Government
14	It creates credit	A. Central Bank B. Commercial Bank C. Government D. Stock exchange
15	Every country establishes a central bank to	A. Issue currency B. To establish commercial bank C. To prepare government budget D. All of the above

16	Demand deposits are	A. Bank notes B. Money C. Considered as near money D. Legal money
17	State bank of Pakistan is run by	A. Board of directors B. Board of managers C. Board of governors D. Board of bankers
18	Monetary policy has the objective	A. Decrease unemployment rate B. Decrease tax rate C. Decreases inflation rate D. a and c of the above
19	The money called legal tender includes.	A. Currency notes and credit cards B. Currency notes and bank deposits C. Currency notes and coins D. Currency notes and cheques
20	The following is not a bank liability.	A. Demand deposit B. Time deposit C. Loan D. Saving Deposit