

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

Sr	Questions	Answers Choice
1	Credit money is created by	A. Exchange bank B. Commercial Bank C. Finance companies D. None of the above
2	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
3	Which is the source of interest for a bank	A. Advances B. Bills discounted C. Investments D. All
4	Central banks rate of lending to commercial banks is called.	A. Money rate B. Control rate C. Interest rate D. Discount rate
5	The following is not a bank liability.	A. Demand Deposit B. Time deposit C. Loans D. Saving Deposit
6	A bank has Rs5 million in cash. The minimum reserve ratio is 20% What is maximum potential increase in total deposits	A. 0 B. 5 m C. 10 m D. 25 m
7	It creates credit	A. Central Bank B. Commercial Bank C. Government D. Stock exchange
8	Which type of cheque is more safe for transfer of money	A. Cross cheque B. Order cheque C. Traveller cheque D. Bearer cheque
9	Which type of cheque is least safe for transfer of money	A. Bearer cheque B. Traveller cheque C. Order cheque D. Cross cheque
10	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
11	Credit money is created by	A. Central bank B. Commercial Bank C. Government D. All of the above
12	Demand deposit are	A. Money B. Bank note C. Legal Money D. Considered to near money
13	Out following the only recognised legal tender is	A. Cheque B. Currency notes and coins C. Notes and cheques D. Credit card
14	Demand deposit are	A. Bank notes B. Money C. Considered as near money D. Legal money
15	Acting as lender of last resort a central bank lend to.	A. Money market B. Stock exchange C. Commercial Bank D.

		D. Does not lend
16	Which is considered liability by a bank	A. Loans B. Bank building and equipment C. Time deposit D. Securities
17	It is NOT an instrument of monetary policy	A. Discount Rate B. Open market operation C. Change in reserve ratio D. Issue notes
18	Which is the most widely used tool of monetary policy	A. Open market operation B. Clearing house C. Discount rate D. Issuing of the note
19	Demand deposit means	A. Saving account B. Chequeable deposits C. Profit loss account D. Time deposits
20	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