

## Principles of Banking Icom Part 2 English Medium Chapter 12 Online Test

Sr	Questions	Answers Choice
1	The word L.C stand for.	A. Long credit B. Less credit C. Letter of credit D. None of these
2	Generally, the instruments which are used in foreign receipts and payments called	A. Exchange rate B. Foreign exchange C. Letter of credit D. All of the above
3	The term foreign exchange includes	A. Bank draft B. Letter of credit C. Foreign B/E D. All the above
4	Transfer of money from one palce to another place with the help of post office.	A. Cheque B. Draft C. Money order D. None of these
5	The word IOU means.	A. I am your creditor B. I am your debtor C. I am your friend D. None of these
6	The rate of exchange determined by two countries following non-convertible paper currency system is a point where	A. The purchasing power of currency is same B. The purchasing power of currency is different C. The purchasing power of currency is zero D. None of the above
7	Upper specie point is got by adding the delivery charges in following metal	A. Silver B. Gold C. Iron D. Copper
8	Parties involvedin money order.	A. Two B. Three C. Four D. Five
9	Foreign exchange control reduces the	A. Circulation of capital     B. Export of capital     C. Import of capital     D. None of the above
10	the developed form of red claause L.C. is.	A. Revocable L.C. B. Green clause L.C. C. Unconfirmed L.C. D. All of these
11	Parties involved in postal order	A. Two B. Three C. Four D. Five
12	The price of one country's currency in term other country's currency is called	A. Foreign currency B. Traveller's L.C. C. Exchange rate D. None of these
13	The example of non commercial letter of credit.	A. Red clause L.C. B. Green clause LC. C. Traveler's L.C.  D. Documentary L.C.
14	Letter of credit state a limit of.	A. Credit B. Time period C. Bank D. None of these
		A. Advising bank

15	The bank that makes payment to the exporter after receiving L.C. is called.	B. Informatory bank C. Paying bank D. All of these
16	Features of I.O.U. are	A. Written form B. Evidence of debt C. Fixed amount D. All of these
17	If there is no gurantee to honour the L.C. It is called.	A. Documentary L.C. B. Revolving L.C. C. Back to back L.C. D. Unconfirmed L.C.
18	Feature of postal order	A. Serial no B. value C. Commission D. All of these
19	Which method is mostly used in making foreign payment	<ul><li>A. Foreign bills of exchange</li><li>B. By post</li><li>C. By telegraph</li><li>D. None of these</li></ul>
20	Letter of credit is opened by.	A. Importer 's bank B. Exporter's bank C. Wholse seller D. None of these