

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

Sr	Questions	Answers Choice
1	The Kind of non commercial letter of credit includes.	A. Traveler L.C. B. Circular note C. Credit card D. All of these
2	Which party of the L.C. is called beneficiary.	A. Opening bank B. Buyer C. Exporter D. Ex porter's bank
3	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
4	In L.C. the other name of exporter's bank is.	A. Paying bank B. Advising bank C. Negotiating bank D. All of these
5	Paying bank with respect to a letter of credit is called.	A. Advising bank B. Informatory bank C. Both these D. None of these
6	The more increase in exchange rate for a country under gold standard is called	A. Lower specie point B. Middle specie point C. Upper specie point D. None of the above
7	The bank that makes payment to the exporter after receiving L.C. is called.	A. Advising bank B. Informatory bank C. Paying bank D. All of these
8	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.
9	The money sent through post office from one country to another	A. Traveller's cheque B. Bank draft C. Letter of credit D. International money order
10	I.O.U. Is a credit instrument.	A. Negotiable B. Non Negotiable C. Partial Negotiable D. Conditional negotiable
11	If the demand of any country's currency increases then rate of exchange becomes	A. Favorable B. Unfavorable C. Both a and b D. None of these
12	Which method is mostly used in making foreign payment	A. Foreign bills of exchange B. By post C. By telegraph D. None of these
13	Which party to L.C. is called beneficiary.	A. Import B. Export C. Advising bank D. Opening bank
14	In L.C. the other name of importer's bank is.	A. Buyer bank B. Opening bank C. Issuing bank D. All of these
15	Which of the following rate keeps the balance of payments in equilibrium	A. Discount rate B. Interest rate C. Exchange rate D. Market rate

16	The rate of exchange determined by two countries following non-convertible paper currency system is a point where	<p>A. The purchasing power of currency is same</p> <p>B. The purchasing power of currency is different</p> <p>C. The purchasing power of currency is zero</p> <p>D. None of the above</p>
17	Parties involved in postal order	<p>A. Two</p> <p>B. Three</p> <p>C. Four</p> <p>D. Five</p>
18	The change in demand and supply of foreign currency effects	<p>A. Exchange rate</p> <p>B. Traveller's L.C</p> <p>C. Letter of credit</p> <p>D. None of these</p>
19	The L.C. which is accompanied by some documents is called.	<p>A. Documentary L.C.</p> <p>B. Revolving L.C.</p> <p>C. Back to back L.C.</p> <p>D. Simple L.C.</p>
20	Non geogibale credit instruemnt are.	<p>A. Letter of credit</p> <p>B. I.O.U</p> <p>C. Money order</p> <p>D. All of these</p>