

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

Sr	Questions	Answers Choice
1	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>
2	Letter of credit state a limit of.	<p>A. Credit</p> <p>B. Time period</p> <p>C. Bank</p> <p>D. None of these</p>
3	Which party of the L.C. is called beneficiary.	<p>A. Opening bank</p> <p>B. Buyer</p> <p>C. Exporter</p> <p>D. Ex porter's bank</p>
4	The price of one country's currency in term other country's currency is called	<p>A. Foreign currency</p> <p>B. Traveller's L.C.</p> <p>C. Exchange rate</p> <p>D. None of these</p>
5	The more increase in exchange rate for a country under gold standard is called	<p>A. Lower specie point</p> <p>B. Middle specie point</p> <p>C. Upper specie point</p> <p>D. None of the above</p>
6	Stock certificates are issued by.	<p>A. Cental bank</p> <p>B. Stock market</p> <p>C. Limite Company</p> <p>D. Partnership</p>
7	Content of money order includes.	<p>A. Fixed amount</p> <p>B. Non transferable</p> <p>C. Identification</p> <p>D. All of these</p>
8	Parties involvedin money order.	<p>A. Two</p> <p>B. Three</p> <p>C. Four</p> <p>D. Five</p>
9	Which of the following theories is associated with the working of international gold standard	<p>A. Mint par parity theory</p> <p>B. Purchasing power theory</p> <p>C. Balance of payments theory</p> <p>D. All of the above</p>
10	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>
11	The example of non commercial letter of credit.	<p>A. Red clause L.C.</p> <p>B. Green clause LC.</p> <p>C. Traveler's L.C.</p> <p>D. Documentary L.C.</p>
12	The kind of commercial letter of credit includes.	<p>A. Revocable L.C.</p> <p>B. Unconditional L.C.</p> <p>C. Confirmed L.C.</p> <p>D. All of these</p>
13	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>
14	Letter of credit is opened by.	<p>A. Importer 's bank</p> <p>B. Exporter's bank</p> <p>C. Wholse seller</p> <p>D. None of these</p>
		<p>A. Discount rate</p>

15	Which of the following rate keeps the balance of payments in equilibrium	B. Interest rate C. Exchange rate D. Market rate
16	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
17	Feature of postal order	A. Serial no B. value C. Commission D. All of these
18	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
19	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
20	Which of the following is a non commercial L.C.	A. Revolving L.C. B. Traveler 's cheque C. Unconfirmed L.C. D. Special L.C.