

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

Sr	Questions	Answers Choice
1	In L.C. the other name of importer's bank is.	A. Buyer bank B. Opening bank C. Issuing bank 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	Features of I.O.U. are	A. Written form B. Evidence of debt C. Fixed amount D. All of these
4	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
5	Parties involved in I.O.U	A. Three B. Four C. Two D. Five
6	Paying bank with respect to a letter of credit is called.	A. Advising bank B. Informatory bank C. Both these D. None of these
7	In L.C. the other name of exporter's bank is.	A. Paying bank B. Advising bank C. Negotiating bank D. All of these
8	The purpose of credit card is.	A. Sell goods B. Control credit C. Purchase goods D. None of these
9	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.
10	Letter of credit state a limit of.	A. Credit B. Time period C. Bank D. None of these
11	The word IOU means.	A. I am your creditor B. I am your debtor C. I am your friend D. None of these
12	The word L.C stand for.	A. Long credit B. Less credit C. Letter of credit D. None of these
13	I.O.U. Is a credit instrument.	A. Negotiable B. Non Negotiable C. Partial Negotiable D. Conditional negotiable
14	The L.C. which is accompanied by some documents is called.	A. Documentary L.C. B. Revolving L.C. C. Back to back L.C. D. Simple L.C.
		A. To stabilize exchange rate

15	What is the objective of foreign exchange control	B. To increase government revenue C. Favorable balance of payment D. All the above
16	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
17	Which of the following changes cause to change in foreign exchange rate	A. Change in export and imports B. Change in capital flow C. Change in bank rate D. All the above
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	A. Foreign bills of exchange B. By post C. By telegraph D. None of these
20	Postal order is the example of.	A. Negotiable credit instrument B. Cash instruent C. Non negotiable credit instrument D. None of these