

Principles of Banking ICOM Part 2 English Medium Chapter 2 Online Test

Sr	Questions	Answers Choice
1	If a credit card is lost, what should the holder do.	A. Report to employer B. Report to bank C. Report to insurance co. D. All the above
2	If a credit is lost, what should the holder do.	A. Report to employer B. report to bank C. Report to insurance co. D. All the above
3	While depositing money in your a/c, you must use.	A. Pay - in slip B. Deposit slip C. Credit voucher D. All these
4	The commercial banks may be:	A. Scheduled B. Non-scheduled C. Foreign D. All of the above
5	Which of the following is a limitation in credit creation.	A. Initial deposit B. Use of cheques C. Use currency D. all of these
6	The relationship between Cash Reserve and credit creation is.	A. No relationship B. Direct C. Inverse D. One way
7	In Pakistan the bank nationalized Act is.	A. Act 1956 B. Act 1932 C. Act 1962 D. Act 1974
8	Cash reserve of commercial Banks includes.	A. Cash in hand B. Cash with SBP C. Balance with other banks D. All the above
9	Polymer Currency includes	A. Debit card B. ATM card C. Credit card D. All of these
10	Process of credit creation by	A. Central bank B. Commercial banks C. Both of these D. None of these
11	The kind of loan according to issue	A. Cash credit B. Discounting of bill C. Mortgage loan D. All of the above
12	Which is the secondary function of commercial bank.	A. Accepting deposits B. Advancing loans C. Collection of cheques D. All of these
13	The current account and saving account is also called	A. Sight deposits B. Chequing account C. Demand deposits D. All of these
14	Credit card payments are considered.	A. Cash payments B. Credit payments C. Both these D. None of these
15	Which affairs of Banks are revealed by articles of Banks.	A. Internal B. External C. Political D. Financial

16	To make payments of variable amounts to a stated A/c	A. Direct Debit B. Standing order C. Inter bank transfer D. Clearing House system
17	Formula for calculating total credit creation:	A. $\text{New deposit} \times 1/\text{Reserve ratio}$ B. $\text{New deposit} \times \text{Reserve ratio}/1$ C. $\text{Reserve ratio} \times 1/\text{New deposit}$ D. None of the above
18	Increase in ratio of cash reserve of scheduled banks.	A. Increase of credit creation B. Stop credit creation C. Decreased in credit creation D. None of these
19	The loan which can be demanded by bank at anytime:	A. Overdraft B. Demand loans C. Bills of exchange D. All of the above
20	Present commercial Banks are the Developed form of the business of.	A. Money Lenders B. gold smiths C. Money changers D. Merchants