

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

Sr	Questions	Answers Choice
1	Over draft facility is only provided on:	A. Current account B. Fixed deposit C. Saving account D. All of the above
2	Exchange banks are commonly known as.	A. Foreign bank B. Central bank C. Consortium Bank D. None of these
3	The higher the cash reserve ratio.	A. Credit creation zero B. Credit creation constant C. Higher the credit creation D. Lower the credit creation
4	Which one is not the feature of good Banking system.	A. Economic development B. Inflation C. Larger Capital D. Trust of public
5	Commercial bank creates credit	A. By discounting of bills B. By investment C. By advancing loans D. All of the above
6	Which bank does discount the bills of public	A. Commercial bank B. Agricultural bank C. Industrial bank D. All of the above
7	Which is the secondary function of commercial bank.	A. Accepting deposits B. Advancing loans C. Collection of cheques D. All of these
8	Heart of Financial Structure.	A. Commercial bank B. Central bank C. Consortium Banks D. All these
9	Which amount is available for salaried and low income persons:	A. Current account B. Saving account C. Fixed deposit D. All of the above
10	Which type of loan is advanced by commercial banks for meeting day-to-day requirements:	A. Short term loan B. Medium term loan C. Long term loan D. All of the above
11	The current account and saving account is also called	A. Sight deposits B. Chequing account C. Demand deposits D. All of these
12	If the rate of interest (profit) on the bank deposits is higher then the banks keep:	A. Less cash reserve B. Less margin rate C. More cash reserve D. None of the above
13	Quaid -e-Azam opened his bank account in.	A. ABL B. MCB C. HBL D. NBP
14	Current account is suitable for	A. Capitalists B. Salaried persons C. Business community D. None of the above
15	What kind of power does commercial bank possess regarding credit creation	A. Unlimited power B. Limited power C. No power D. All the above are possible

16	Which bank does accept the deposits from public	A. Commercial bank B. Central bank C. Foreign exchange bank D. All the above
17	Which of the folloiwng is a valid method of receivig payment from debtors.	A. Debit card B. Credit card C. ATM card D. Cash
18	Which is the Primary functionof a commercial bank.	A. Issue Notes B. Accepting Deposits C. Credit creation D. None of these
19	Pay Order is issued by the bank when the debtor and creditor belongs to.	A. Two different cities B. With in same city C. Two different counties D. All these
20	Which of the following is a limitation in credit creation	A. Initial deposit B. Use of cheques C. Use of currency D. All of these