

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

Sr	Questions	Answers Choice
1	Which bank does keep the precious articles of public into its custody	A. Central bank B. Industrial bank C. Commercial bank D. None of these
2	Why commercial banks keep a certain amount of money as reserve	A. Meeting the requirements of customers B. Meeting the requirements of central bank C. Acquiring the satisfaction of having cash D. Expanding the banking business
3	Which of the followig is not an example of Plastic money.	A. Debit card B. ATM card C. Credit card D. Currency notes
4	The commercial banks may be:	A. Scheduled B. Non-scheduled C. Foreign D. All of the above
5	Present commercial Banks are teh Developed form of the business of.	A. Money Lenders B. gold smiths C. Money changers D. Merchants
6	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
7	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
8	Which account is called non operating account.	A. Current account B. Saving account C. Fixed account D. BBA account
9	Which one is not the feature of good Banking system.	A. Economic development B. Inflation C. Larger Capital D. TYrust of public
10	Commercial bank is called:	A. Banker's bank B. Bank of public C. Custodian of foreign exchange D. Banker to the Government
11	The primary function of commercial bank are	A. Accepting deposits B. Advancing loans C. Both a and b D. None of these
12	Current account is suitable for	A. Capitalists B. Salaried persons C. Business community D. None of the above
13	Over draft facility is only provided on:	A. Current account B. Fixed deposit C. Saving account D. All of the above
14	Quaid -e-Azam opened his bank account in.	A. ABL B. MCB C. HBL D. NBP
		A. Increases - -

15	Because of low Reserve Ratio the credit creation power.	B. Decreases C. Constant D. Zero
16	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
17	Commercial bank can be regarded by nature as	A. Depository bank B. Central bank C. Investment bank D. None of the above
18	The amount (capital) recieved by bank after issuing shares is called:	A. Reserve capital B. Paid up capital C. Autherized capital D. Issued capital
19	A commercial bank keeps less cash reserve if:	A. Cheque is used in most of the transactions B. Cheque house facility is available C. Rediscounting facility is available D. All of the above
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