

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

Sr	Questions	Answers Choice
1	Exchange banks are commonly known as.	A. Foreign bank B. Central bank C. Consortium Bank D. None of these
2	Credit card payments are considered.	A. Cash payments B. Credit payments C. Both these D. None of these
3	Banking companies ordinace is	A. 1962 B. 1984 C. 1932 D. 1694
4	Which is teh secondary function of commercial bank.	<ul><li>A. Accepting deposits</li><li>B. Advancing loans</li><li>C. Collection of cheques</li><li>D. All of these</li></ul>
5	The amount (capital) recieved by bank after issuing shares is called:	A. Reserve capital     B. Paid up capital     C. Autherized capital     D. Issued capital
6	A commercial bank keeps less cash reserve if:	A. Cheque is used in most of the transactions B. Cheque house facilty is available C. Rediscounting facility is available D. All of the above
7	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
8	The loans on which high rate of interest is charged :	A. Medium term loans B. Long term loans C. Short term loans D. Demand loans
9	The relation ship between Cash Reserve and credit creation is.	A. No relationship B. Direct C. Inverse D. One way
10	Commercial bank can be	A. Scheduled B. Foreign C. Non Sheduled D. All these
11	While deposting money in your a/c you must use.	A. Pay in slip B. Deposit slip C. Credit voucher D. All of these
12	Over draft facility is only provided on:	A. Current account B. Fixed deposit C. Saving account D. All of the above
13	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
14	Commercial bank creates the following Money	A. Metallic B. Credit C. Paper D. All the above
15	Which is the Primary functionof a commercial bank.	A. Issue Notes B. Accepting Deposits C. Credit creation

	D. None of these
Which bank does discount the bills of public	A. Commercial bank B. Agricultural bank C. Industrial bank D. All of the above
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
The part of deposits kept with the central bank is called:	A. Cash reserve B. Margin C. Interest rate D. All of the above
For its customers a commercial bank sells and buys:	<ul><li>A. Foreign exchange</li><li>B. Property</li><li>C. Securities</li><li>D. All of the above</li></ul>
Process of credit creation by	A. Central bank B. Commercial banks C. Both of these D. None of these
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