

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

Sr	Questions	Answers Choice
1	Which of the following functions is performed by commercial bank	A. Issuance of currency notes B. Credit creation C. Rediscounting of bills D. Preparation of monetary policy
2	Which of the folloiwng is a valid method of receivig payment from debtors.	A. Debit card B. Credit card C. ATM card D. Cash
3	While deposting money in your a/c you must use.	A. Pay in slip B. Deposit slip C. Credit voucher D. All of these
4	Decreas in cash reserve ratio of scheduled Banks.	A. No effect B. Decrease in credit creation C. Increase in credit creation D. Stope credit creation
5	The commercial banks may be:	A. Scheduled B. Non-scheduled C. Foreign D. All of the above
6	The documents which present a summary and balance of accounts of an A/C holder in bank.	A. Balance sheet B. Pass book C. Prospectus D. Bank Staement
7	Commercial bank can be regarded by nature as	A. Depository bank B. Central bank C. Investment bank D. None of the above
8	The higer the cash reserve ratio.	A. Credit creation zero B. Credit creation constant C. Higher the credit creation D. Lower the credit creation
9	Because of high reserve ratio the credit creation power.	A. Constant B. Increases C. Decreases D. Zero
10	Commercial bank advises its customers on	A. Household matters B. Financial matters C. Political matters D. All the above
11	Exchange banks are commonly known as.	A. Foreign bank B. Central bank C. Consortium Bank D. None of these
12	Commercial bank creates credit	A. By discounting of billsB. By investmentC. By advancing loansD. All of the above
13	Which of the following is a limitation in credit creation.	A. Initial deposit B. Use of cheques C. Use currency D. all of these
14	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
15	Quaid -e- Azam opened his bank account in.	A. 1940 B. 1945 C. 1957 D. 1987

16	Which bank does discount the bills of public	A. Commercial bank B. Agricultural bank C. Industrial bank D. All of the above
17	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
18	The amount in fixed deposit can be	A. Deposited many times B. Deposited only once C. Withdrawn many times D. None of the above
19	Which bank does accept the deposits from public	A. Commercial bank B. Central bank C. Foreign exchange bank D. All the above
20	Because of low Reserve Ratio the credit creation power.	A. Increases B. Decreases C. Constant D. Zero