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

Sr	Questions	Answers Choice
1	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
2	For commercial baks deposits are.	A. Assets B. Liabilities C. Income D. Expense
3	For more credit creation a bank must have.	A. More demand deposits B. More fixed deposits C. More time deposited D. All of these
4	The primary function of commercial bank are	A. Accepting deposits B. Advancing loans C. Both a and b D. None of these
5	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
6	Formula for calculating total credit creation:	A. New deposit x 1/Reserve ratio B. New deposit x Reserve ratio/1 C. Reserve ratio x 1/New deposit D. None of the above
7	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
8	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
9	Quaid -e- Azam opened his bank account in.	A. 1940 B. 1945 C. 1957 D. 1987
10	Process of credit creation by	A. Central bank B. Commercial banks C. Both of these D. None of these
11	Present commercial Banks are teh Developed form of the business of.	A. Money Lenders B. gold smiths C. Money changers D. Merchants
12	The amount (capital) recieved by bank after issuing shares is called:	A. Reserve capital B. Paid up capital C. Autherized capital D. Issued capital
13	For commercial banks deposits are.	A. Assets B. Liabilities C. Income D. Expense
14	If a credit is lost, what shuld the holder do.	A. Report to employer B. report to bank C. Reort to insurance co. D. All the above
		A. Co's act 1932

15	In Pakistan before 1974 commercial Banks were formed under.	B. Co's Act 1913 C. Co's Act 1984 D. None of these
16	Which is the Primary functionof a commercial bank.	A. Issue Notes B. Accepting Deposits C. Credit creation D. None of these
17	Which amount is available for salaried and low income persons:	A. Current account B. Saving account C. Fixed deposit D. All of the above
18	For its customers a commercial bank sells and buys:	A. Foreign exchange B. Property C. Securities D. All of the above
19	Which of the following is a valid method of receiving payment from debtors.	A. Debit card B. Credit card C. ATM card D. Cash
20	The loan which can be demanded by bank at anytime:	A. Overdraft B. Demand loans C. Bills of exchange D. All of the above