

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

Sr	Questions	Answers Choice
1	Which bank does accept the deposits from public	A. Commercial bank B. Central bank C. Foreign exchange bank D. All the above
2	Which is the Primary function of a commercial bank.	A. Issue Notes B. Accepting Deposits C. Credit creation D. None of these
3	Exchange banks are commonly known as.	A. Foreign bank B. Central bank C. Consortium Bank D. None of these
4	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
5	Habib Bank Limited was formed on.	A. 1941 B. 1931 C. 1951 D. 1961
6	Which of the following is not an example of plastic money	A. Debit card B. ATM card C. Currency notes D. Credit card
7	The amount in fixed deposit can be	A. Deposited many times B. Deposited only once C. Withdrawn many times D. None of the above
8	Banking companies ordinance is	A. 1962 B. 1984 C. 1932 D. 1694
9	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
10	Commercial bank create money.	A. Metallic B. Credit C. Paper D. All these
11	Increase in ratio of cash reserve of scheduled banks.	A. Increase of credit creation B. Stop credit creation C. Decreased in credit creation D. None of these
12	United Bank Ltd. was formed on.	A. 1959 B. 1949 C. 1694 D. 1957
13	Decrease in cash reserve ratio of scheduled Banks.	A. No effect B. Decrease in credit creation C. Increase in credit creation D. Stop credit creation
14	Commercial bank creates credit	A. By discounting of bills B. By investment C. By advancing loans D. All of the above
		A. Sight deposits

15	The current account and saving account is also called	B. Chequing account C. Demand deposits D. All of these
16	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
17	Process of credit creation by	A. Central bank B. Commercial banks C. Both of these D. None of these
18	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
19	The commercial banks may be:	A. Scheduled B. Non-scheduled C. Foreign D. All of the above
20	For more credit creation a bank must have.	A. More demand deposits B. More fixed deposits C. More time deposited D. All of these