

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

Sr	Questions	Answers Choice
1	Why commercial banks keep a certain amount of money as reserve	<p>A. Meeting the requirements of customers</p> <p>B. Meeting the requirements of central bank</p> <p>C. Acquiring the satisfaction of having cash</p> <p>D. Expanding the banking business</p>
2	In Pakistan the bank nationalized Act is.	<p>A. Act 1956</p> <p>B. Act 1932</p> <p>C. Act 1962</p> <p>D. Act 1974</p>
3	Over draft facility is only provided on:	<p>A. Current account</p> <p>B. Fixed deposit</p> <p>C. Saving account</p> <p>D. All of the above</p>
4	If a credit card is lost, what should the holder do.	<p>A. Report to employer</p> <p>B. Report to bank</p> <p>C. Report to insurance co.</p> <p>D. All the above</p>
5	Which is the Primary function of a commercial bank.	<p>A. Issue Notes</p> <p>B. Accepting Deposits</p> <p>C. Credit creation</p> <p>D. None of these</p>
6	The kind of loan according to issue	<p>A. Cash credit</p> <p>B. Discounting of bill</p> <p>C. Mortgage loan</p> <p>D. All of the above</p>
7	Which bank does keep the precious articles of public into its custody	<p>A. Central bank</p> <p>B. Industrial bank</p> <p>C. Commercial bank</p> <p>D. None of these</p>
8	Heart of Financial Structure.	<p>A. Commercial bank</p> <p>B. Central bank</p> <p>C. Consortium Banks</p> <p>D. All these</p>
9	Polymer Currency includes	<p>A. Debit card</p> <p>B. ATM card</p> <p>C. Credit card</p> <p>D. All of these</p>
10	For commercial banks deposits are.	<p>A. Assets</p> <p>B. Liabilities</p> <p>C. Income</p> <p>D. Expense</p>
11	For its customers a commercial bank sells and buys:	<p>A. Foreign exchange</p> <p>B. Property</p> <p>C. Securities</p> <p>D. All of the above</p>
12	The life blood of a commercial bank.	<p>A. Deposits</p> <p>B. With drawals</p> <p>C. Liabilities</p> <p>D. All these</p>
13	Which of the following is a limitation in credit creation.	<p>A. Initial deposit</p> <p>B. Use of cheques</p> <p>C. Use currency</p> <p>D. all of these</p>
14	The part of deposits kept with the central bank is called:	<p>A. Cash reserve</p> <p>B. Margin</p> <p>C. Interest rate</p> <p>D. All of the above</p>
		<p>A. Reserve capital</p>

15	The amount (capital) recieved by bank after issuing shares is called:	B. Paid up capital C. Autherized capital D. Issued capital
16	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
17	Process of credit creation by	A. Central bank B. Commercial banks C. Both of these D. None of these
18	Quaid -e- Azam opened his bank account in.	A. 1940 B. 1945 C. 1957 D. 1987
19	Which amount is available for salaried and low income persons:	A. Current account B. Saving account C. Fixed deposit D. All of the above
20	Cash reserve of commercial Banks includes.	A. Cash in hand B. Cash with SBP C. Balance with other banks D. All the above