

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

Sr	Questions	Answers Choice
1	The part of deposits kept with the central bank is called:	A. Cash reserve B. Margin C. Interest rate D. All of the above
2	Heart of Financial Structure.	A. Commercial bank B. Central bank C. Consortium Banks D. All these
3	Which is the secondary function of commercial bank.	A. Accepting deposits B. Advancing loans C. Collection of cheques D. All of these
4	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
5	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
6	Cash reserve of commercial Banks includes.	A. Cash in hand B. Cash with SBP C. Balance with other banks D. All the above
7	The relationship between Cash Reserve and credit creation is.	A. No relationship B. Direct C. Inverse D. One way
8	Which of the following is not an example of plastic money	A. Debit card B. ATM card C. Currency notes D. Credit card
9	The higher the cash reserve ratio.	A. Credit creation zero B. Credit creation constant C. Higher the credit creation D. Lower the credit creation
10	Which of the following is not an example of Plastic money.	A. Debit card B. ATM card C. Credit card D. Currency notes
11	Bank draft is issued by the bank when the debtor and creditor belong to.	A. To different cities/Country B. With in same city C. Two different families D. All these
12	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
13	Current account is suitable for	A. Capitalists B. Salaried persons C. Business community D. None of the above
14	Commercial bank advises its customers on	A. Household matters B. Financial matters C. Political matters D. All the above
15	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

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16	Quaid -e- Azam opened his bank account in.	A. 1940 B. 1945 C. 1957 D. 1987
17	For more credit creation a bank must have.	A. More demand deposits B. More fixed deposits C. More time deposited D. All of these
18	The life blood of a commercial bank.	A. Deposits B. With draws C. Liabilities D. All these
19	Which bank does accept the deposits from public	A. Commercial bank B. Central bank C. Foreign exchange bank D. All the above
20	While depositing money in your a/c you must use.	A. Pay in slip B. Deposit slip C. Credit voucher D. All of these

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