

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

Sr	Questions	Answers Choice
1	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
2	Commercial bank create money.	A. Metallic B. Credit C. Paper D. All these
3	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
4	Polymer Currency includes	A. Debit card B. ATM card C. Credit card D. All of these
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	Commercial bank can be regarded by nature as	A. Depository bank B. Central bank C. Investment bank D. None of the above
7	Current account is suitable for	A. Capitalists B. Salaried persons C. Business community D. None of the above
8	Which is the secondary function of a commercial bank.	A. Accepting deposits B. Advancing loans C. Collection of cheques D. all of these
9	Cash reserve of commercial Banks includes.	A. Cash in hand B. Cash with SBP C. Balance with other banks D. All the above
10	Which is teh secondary function of commercial bank.	A. Accepting deposits B. Advancing loans C. Collection of cheques D. All of these
11	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
12	Which bank does keep the precious articles of public into its custody	A. Central bank B. Industrial bank C. Commercial bank D. None of these
13	Quaid -e- Azam opened his bank account in.	A. 1940 B. 1945 C. 1957 D. 1987
14	Commercial bank creates the following Money	A. Metallic B. Credit C. Paper D. All the above
15	The primary function of commercial bank are	A. Accepting deposits B. Advancing loans C. Both a and b D. All of the above

D. None of these

16 For more credit creation a bank must have.

- A. More demand deposits
- B. More fixed deposits
- C. More time deposited
- D. All of these

17 The forms of cash reserve of commercial bank:

- A. Cash in hand
- B. Reserve with central bank
- C. Recievable from other banks
- D. All of the above

18 Commercial bank is called:

- A. Banker's bank
- B. Bank of public
- C. Custodian of foreign exchange
- D. Banker to the Government

19 For commercial banks deposits are.

- A. Assets
- B. Liabilities
- C. Income
- D. Expense

20 Commercial bank advises its customers on

- A. Household matters
- B. Financial matters
- C. Political matters
- D. All the above