

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

Sr	Questions	Answers Choice
1	Exchange banks are commonly known as.	A. Foreign bank B. Central bank C. Consortium Bank D. None of these
2	To make payments of variable amounts to a stated A/c	A. Direct Debit B. Standing order C. Inter bank transfer D. Clearing House system
3	The amount (capital) received by bank after issuing shares is called:	A. Reserve capital B. Paid up capital C. Authorized capital D. Issued capital
4	Commercial bank creates the following Money	A. Metallic B. Credit C. Paper D. All the above
5	the card which can be used to pay for goods purchased.	A. ID card B. Credit card C. Charge card D. Guarantee card
6	Pay Order is issued by the bank when the debtor and creditor belongs to.	A. Two different cities B. Within same city C. Two different counties D. All these
7	Which is the Primary function of a commercial bank.	A. Issue Notes B. Accepting Deposits C. Credit creation D. None of these
8	Process of credit creation by	A. Central bank B. Commercial banks C. Both of these D. None of these
9	If the rate of interest (profit) on the bank deposits is higher than the banks keep:	A. Less cash reserve B. Less margin rate C. More cash reserve D. None of the above
10	The higher the cash reserve ratio.	A. Credit creation zero B. Credit creation constant C. Higher the credit creation D. Lower the credit creation
11	Commercial bank create money.	A. Metallic B. Credit C. Paper D. All these
12	The amount in fixed deposit can be	A. Deposited many times B. Deposited only once C. Withdrawn many times D. None of the above
13	Because of high reserve ratio the credit creation power.	A. Constant B. Increases C. Decreases D. Zero
14	Habib Bank Limited was formed on.	A. 1941 B. 1931 C. 1951 D. 1961
15	Which type of loan is advanced by commercial banks for meeting day-to-day requirements:	A. Short term loan B. Medium term loan C. Long term loan D. All of the above

16 Quaid -e-Azam opened his bank account in.
A. ABL
B. MCB
C. HBL
D. NBP

17 Commercial bank can be regarded by nature as
A. Depository bank
B. Central bank
C. Investment bank
D. None of the above

18 Decreases in cash reserve ratio of scheduled Banks.
A. No effect
B. Decrease in credit creation
C. Increase in credit creation
D. Stop credit creation

19 Which bank does discount the bills of public
A. Commercial bank
B. Agricultural bank
C. Industrial bank
D. All of the above

20 Which is the secondary function of a commercial bank.
A. Accepting deposits
B. Advancing loans
C. Collection of cheques
D. all of these
