

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

Sr	Questions	Answers Choice
1	Which bank does discount the bills of public	A. Commercial bank B. Agricultural bank C. Industrial bank D. All of the above
2	Commercial bank create money.	A. Metallic B. Credit C. Paper D. All these
3	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
4	The higher the cash reserve ratio.	A. Credit creation zero B. Credit creation constant C. Higher the credit creation D. Lower the credit creation
5	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
6	Which account is called non operating account.	A. Current account B. Saving account C. Fixed account D. BBA account
7	Over draft facility is only provided on:	A. Current account B. Fixed deposit C. Saving account D. All of the above
8	Which of the followig is not an example of Plastic money.	A. Debit card B. ATM card C. Credit card D. Currency notes
9	If a credit is lost, what shuld the holder do.	A. Report to employer B. report to bank C. Reort to insurance co. D. All the above
10	The current account nd saving account is also called	A. Sight deposits B. Chequing account C. Demand deposits D. All of 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	The life blood of acomemrcial bank.	A. Deposits B. With draws C. Liabilities D. All these
13	Commercial bank advises its customers on	A. Household matters B. Financial matters C. Political matters D. All the above
14	The relation ship between Cash Reserve and credit creation is.	A. No relationship B. Direct C. Inverse D. One way
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	Credit card payments are considered.	A. Cash payments B. Credit payments C. Both these D. None of these
17	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
18	The loan which can be demanded by bank at anytime:	A. Overdraft B. Demand loans C. Bills of exchange D. All of the above
19	If a credit card is lost, what should the holder do.	A. Report to employer B. Report to bank C. Report to insurance co. D. All the above
20	Because of low Reserve Ratio the credit creation power.	A. Increases B. Decreases C. Constant D. Zero

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