

## 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) recieved by bank after issuing shares is called:	A. Reserve capital B. Paid up capital C. Autherized 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. Chrage card D. Gurantee card
6	Pay Order is issued by the bank when the debtor and creditor belongs to.	A. Two different cities B. With in same city C. Two different counties D. All these
7	Which is the Primary functionof 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 then the banks keep:	A. Less cash reserve B. Less margin rate C. More cash reserve D. None of the above
10	The higer 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12	The amount in fixed deposit can be	A. Deposited many times B. Deposited only once C. Withdrawn many times D. None of the above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	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
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