

## Principles of Banking Icom Part 2 English Medium Chapter 4 Online Test

Sr	Questions	Answers Choice
1	Which method or methods are prevailing in Pakistan for issuing notes	A. Fixed Fiduciary System B. Proportional Reserve System C. Both a and b D. None of the these
2	Scheduled Bank Can be registered under SBP Act.	A. 1956 Sec. 38 (1) B. 1957 Sec. 37 (1) C. 1956 Sec. 137 (1) D. 1956 Sec. 43(1)
3	The central bank works under the rules framed by:	A. Government B. People C. Different banks D. All of the above
4	In case of inflation in the country, the rate of margin is:	A. Increased B. Reduced C. Waived D. All of the above
5	Central bank is owned by	A. Public B. Government C. Commercial banks D. All of the above
6	What are the objectives of monetary policy	A. Stability in price B. Exchange stability C. Stability in capital market D. All of the above
7	What is meant by margin requirement	A. To advance loan less than the value of security B. To give less amount as interest than the amount of loan C. To advance more loan than the value of security D. To advance loan equal to the value of security
8	Central bank provides the following facility to scheduled banks:	A. Feast B. Godown C. Clearing house D. None of the above
9	If credit money is controlled by the sale and purchase of government securities, it is called	A. Direct action B. Moral persuasion C. Change in reserve ration D. Open market operation
10	State Bank of Pakistan Act is	A. 1932 B. 1962 C. 1984 D. 1997
11	Under fixed fiduciary system, if notes are issued in excess of fiduciary limit then how much value of precious metal or foreign exchange is kept as reserve for over issue	A. 5% B. 10% C. 30% D. 100%
12	Scheduled Banks are registred under state bank act.	A. 1956 B. 1984 C. 1962 D. 1932
13	When was the first central bank of sub-continent established:	A. 1635 B. 1732 C. 1835 D. 1935
14	Important functions of a central bank:	A. To issue currency notes B. To provide banking facilities to government C. To advise commercial banks D. All of the above

15	Qualitative methods of monetary policy do not include:	A. Direct actions B. Publicity C. Bank rate policy D. Moral persuasion
16	Central bank bank supervises one of the following systems of a country:	A. Provincial B. Political C. Economical and financial D. None of the above
17	Which function does a central bank not perform	A. Credit creation B. Advancing loans C. Lender of last resort D. Banker of the public
18	Scheduled Banks can keep his totl assets outside the country.	A. 80% B. 60% C. 40% D. 20%
19	The Bank are called Scheduled Bank which are registered with the.	A. Central Bank B. world Bank C. Bank of England D. All the above
20	Non- Scheduled banks are formed under co-opeative society Act.	A. 1932 B. 1925 C. 1984 D. 1911