

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

Sr	Questions	Answers Choice
1	Non -Scheduled bank menas a bank which is not registred with.	A. Stock Exchange B. World Bank C. Central Bank D. Scheduled bank
2	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
3	When was the first central bank of sub-continent established:	A. 1635 B. 1732 C. 1835 D. 1935
4	Which principle is followed by central bank to issue currency notes	<ul><li>A. Currency principle</li><li>B. Banking principle</li><li>C. Both principle</li><li>D. None of the above</li></ul>
5	If the quatity of money in circulation increases then this situation is called:	A. Inflation B. Deflation C. Money market D. All of the above
6	In the Presence of Clearing House Scheduled Banks keeps.	A. Less Cash Reserve B. More Cash Reserve C. No cash reserve D. Fixed cash reserved
7	Participation term certificates are issued in place of.	A. Shares B. Debentures C. NIT Units D. All these
8	What is the purpose of monetary policy	A. To control banking system B. To control supply of money C. To control foreign exchange D. To control stock market
9	Non -Scheduled banks are formed under.	<ul><li>A. Sole trader ship</li><li>B. Firm</li><li>C. Joint Stock Co.</li><li>D. Co-operative society Act</li></ul>
10	Which is the quantitative method of credit control	A. Change in reserve ratio B. Change in margin requirement C. Selective control D. Publicity
11	In case of inflation in the country, the rate of margin is:	A. Increased B. Reduced C. Waived D. All of the above
12	Participation term certificate are issued by.	<ul><li>A. Sole trader ship</li><li>B. Firm</li><li>C. Joint Stock Co.</li><li>D. Co-operative society</li></ul>
13	Central Bank provide the facility to Scheduled Banks.	A. Rediscounting Bills B. Clearing House C. Transfer of Money D. All the above
14	The external value of local currency is stablized through:	A. Monetary policy B. Increase in prices C. Trade policy D. All of the above
15	The document acquire to convert non -scheduled into scheduled bank	A. Prospectus B. Debentures C. By laws copy

		D. Audited Annual Report
	Scheduled Banks can keep his totl assets outsinde the country.	A. 80%
40		B. 60%
16		C. 40%
		D. 20%
	What is meant by margin requirement	A. To advance loan less than the
		value of security
		<li>B. To give less amount as interest</li>
17		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
	Qualitative methods of monetary policy do not include:	A. Direct actions
18		B. Publicity
10		C. Bank rate policy
		D. Moral pursuation
	Scheduled Banks are registred under state bank act.	A. 1956
19		B. 1984
19		C. 1962
		D. 1932
	Credit money in the country is controlled by	A. Central bank
00		B. Commercial bank
20		C. Industrial bank