

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

Sr	Questions	Answers Choice
1	Can open new branch without the consent of Central Branch.	A. Scheduled Bank B. State Bank of Pakistan C. Non-Scheduled Bank D. Bank of England
2	If the quantity of money in circulation increases then this situation is called:	A. Inflation B. Deflation C. Money market D. All of the above
3	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
4	Under which Section Scheduled Bank can open new branch.	A. Section 38 B. Section 39 C. Section 40 D. Section 41
5	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%
6	Non-Scheduled bank means a bank which is not registered with.	A. Stock Exchange B. World Bank C. Central Bank D. Scheduled bank
7	What are the objectives of monetary policy	A. Stability in price B. Exchange stability C. Stability in capital market D. All of the above
8	Which bank is called the mother or central banks	A. Reserve bank of India B. Bank of England C. State Bank of Pakistan D. Bank of Venice
9	Central Bank Act as Lender of Last Resort to.	A. Scheduled Bank B. Foreign Bank C. Non-Scheduled bank D. All the above
10	What is the objective of clearing house	A. To control credit money B. To clear the transactions of different banks C. Training of banking staff D. Re-discounting of bills
11	Which function does a central bank not perform	A. Credit creation B. Advancing loans C. Lender of last resort D. Banker of the public
12	Which principle is followed by central bank to issue currency notes	A. Currency principle B. Banking principle C. Both principle D. None of the above
13	Scheduled Banks can keep his total assets outside the country.	A. 80% B. 60% C. 40% D. 20%
14	When was the first central bank of sub-continent established:	A. 1635 B. 1732 C. 1835 D. 1935
15	Min. Paid up capital of scheduled Bank in Pakistan on 31st December 2011 will be.	A. Rs. 05 million B. Rs. 06 million C. Rs. 10 Billion D. Rs. 100 million

		D. Rs. 07 billion
16	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
17	The central bank works under the rules framed by:	A. Government B. People C. Different banks D. All of the above
18	Example of Non scheduled is	A. ABL B. AL-Meezan Investment Bank C. HBL D. NBP
19	The institution responsible for the contraction and expansion of money in the best interest of general public is called:	A. Commercial bank B. Clearing house C. Central bank D. Chamber of commerce
20	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