

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

Sr	Questions	Answers Choice
1	The central bank works under the rules framed by:	A. Government B. People C. Different banks D. All of the above
2	When was the first central bank of sub-continent established:	A. 1635 B. 1732 C. 1835 D. 1935
3	Under which Section Scheduled Bank are bond to keep 80% of their Asset in country.	A. Section 38 B. Section 33 C. Section 37 D. Section 40
4	State Bank of Pakistan Act is	A. 1932 B. 1962 C. 1984 D. 1997
5	Non -Scheduled bank menas a bank which is not registred with.	A. Stock Exchange B. World Bank C. Central Bank D. Scheduled bank
6	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
7	Teh section of Banking company ordinance of Paksitan 1962 the minimum Capital Requireemnt of Scheduled Banks in or outside Pakistan is.	A. Sec. 14 B. Sec . 13 C. Sec. 16 D. Sec. 17
8	It is necessary for scheduled bank to.	A. Obey SBP B. Submit report to SBP C. Get the Book checked D. All the above
9	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
10	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
11	Example of Non scheduled is	A. ABL B. AL-Meezan Investment Bank C. HBL D. NBP
12	Modern central banking system started in	A. 18th Century B. 19th Century C. 20th Century D. None of these
13	The external value of local currency is stablized through:	A. Monetary policy B. Increase in prices C. Trade policy D. All of the above
14	Which function does a central bank not perform	A. Credit creation B. Advancing loans C. Lender of last resort D. Banker of the public
15	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%
If credit money is controlled by the sale and purchase of government securities, it is called	A. Direct actionB. Moral persuationC. Change in reserve rationD. Open market operation
Which principle is followed by central bank to issue currency notes	A. Currency principleB. Banking principleC. Both principleD. None of the above
Non- Scheduled banks are formed under co-opeative society Act.	A. 1932 B. 1925 C. 1984 D. 1911
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)
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. 07 billion
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