

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

Sr	Questions	Answers Choice
1	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)
2	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
3	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
4	State Bank of Pakistan Act is	A. 1932 B. 1962 C. 1984 D. 1997
5	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
6	The central bank works under the rules framed by:	A. Government B. People C. Different banks D. All of the above
7	Which term is used in connection with monetary policy	A. Bank rate B. Exchange rate C. Wage rate D. Market rate
8	In case of inflation in the country, the rate of margin is:	A. Increased B. Reduced C. Waived D. All of the above
9	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
10	The external value of local currency is stablized through:	A. Monetary policy B. Increase in prices C. Trade policy D. All of the above
11	Qualitative methods of monetary policy do not include:	A. Direct actions B. Publicity C. Bank rate policy D. Moral pursuation
12	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
13	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
14	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
15	Which function does a central bank not perform	A. Credit creation B. Advancing loans C. Lender of last resort D. Banker of the public

16	Pakistan's central bank was established in:	A. 1947 B. 1948 C. 1949 D. 1950
17	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
18	Participation term certificate are issued by.	A. Sole trader ship B. Firm C. Joint Stock Co. D. Co-operative society
19	Scheduled bank is bound to keep with the Country.	A. 80% of Total Assets B. 60% of Total Assets C. 40% Total Assets D. 20% Total Assets
20	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%