

ICS Part 2 Economics English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	Which is a monetary measure to increase employment.	A. Increase in govt expenditure B. Reduce govt expenditure C. Increase in interest rate D. Reducing intrest rate
2	It is NOT an instrument of moneatry policy	A. Discount Rate B. Open market operation C. Change in reserve ratio D. Issue notes
3	Every country establishes centralbank to	A. Issue notes B. Supervise commerical bank C. Giveloans to businessmen D. a and b of above
4	State Bank policy of regulating intrst rate is called.	A. Monetary policy B. Commerical policy C. Banking policy D. Fiscal policy
5	The money called legal tender includes.	A. Currency notes and credit cards B. Currency notes and bank deposits C. Currency notes and coins D. Currency notes and cheques
6	Treasury bill is used for	A. Getting short term loans by central bank B. Getting long term loans C. Collecting govt. taxes D. Make payments of utility bills
7	Every country establishes central bank to	A. Issue currency B. To establish commercial bank C. Toprepare governemnt budget D. All of the of above
8	Central banks rate of lending to commericalbanks is called.	A. Interest rate B. Discount rate C. Money rate D. Inflation rate
9	Monetary pollicy has the objective	A. Decrease unemployment rate B. Decrease tax rate C. Decreases inflation rate D. a and c of the above
10	Out following the only recognised legal tender is	A. Cheque B. Currency notes and coins C. Notes and cheques D. Credit card
11	Wheih organisation controls the banking system to most countries.	A. Central Bank B. Commercial bank C. Investment bankWorld bank
12	It creates credit	A. Central Bank B. Commercial Bank C. Government D. Stock exchange
13	Credit money is controlled by	A. Central bank B. Market forces C. Commercial Bank D. Government
14	State bank of Pakistan is run by	A. Board of directors B. Board of managers C. Board of govenors D. Board of bankers
15	Central banks rate of lending to commercial banks is called.	A. Money rate B. Control rate C. Intrested rate D. Discount rate

6	Whis is the most widely used tool of monetary policy	A. Open market operation B. Clearing house C. Discount rate D. Issuing of the note
17	Acting as lender of last resort a cenral bank lend to.	A. Money market B. Stock exchange C. Commercial Bank
		D. Does not lend