

## ICS Part 2 Economics English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	Which is the source of interest for a bank	A. Advances B. Bills discounted C. Investments D. All
2	Every country establishes central bank to	A. Issue currency B. To establish commercial bank C. To prepare government budget D. All of the above
3	Cash cannot be directly obtained from a bank against	A. Cross cheque B. Order cheque C. Bearer cheque D. Traveller cheque
4	Which is a monetary measure to increase employment.	A. Increase in government expenditure B. Reduce government expenditure C. Increase in interest rate D. Reducing interest rate
5	A bank has Rs. 5 million in cash. The minimum reserve ratio is 20%. What is the maximum potential increase in total deposits.	A. 25 m B. 10 m C. 5 m D. 0 m
6	Demand deposits mean	A. Saving account B. Chequable deposits C. Profit loss account D. Time deposits
7	Out of the following, the only recognised legal tender is	A. Cheque B. Currency notes and coins C. Notes and cheques D. Credit card
8	Which organisation controls the banking system in most countries.	A. Central Bank B. Commercial bank C. Investment bank D. World Bank
9	State Bank was established in	A. 1948 B. 1950 C. 1952 D. 1954
10	The following is not a bank liability.	A. Demand deposit B. Time deposit C. Loan D. Saving Deposit
11	When a commercial bank creates credit, its immediate effect is that it raises	A. The exchange rate B. The money supply C. The interest rate D. The real national income
12	Which type of cheque is least safe for transfer of money	A. Bearer cheque B. Traveller cheque C. Order cheque D. Cross cheque
13	If a person is interested that his amount should be readily available as soon as he needs, he should deposit his money in	A. Demand deposits B. Time deposit C. Saving account D. Profit loss account
14	Credit money is controlled by	A. Central bank B. Market forces C. Commercial Bank D. Government
15	Bank prepares their balance sheet	A. Weekly B. Monthly C. Quarterly D. Annually

16	10-Rupees note is issued by	A. National Bank B. State Bank C. Govt. of Pakistan D. Governer State bank
17	It creates credit	A. Central Bank B. Commercial Bank C. Government D. Stock exchange
18	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
19	Balance sheet of a bank has two parts	A. Supply and demand for deposits B. Supply and demand of Advances C. Assests and liabilities D. Cash Reserves and loans
20	Demand deposit are	A. Money B. Bank note C. Legal Money D. Considered to near money