

ICS Part 2 Economics English Medium Chapter 5 Online Test

Sr	Questions	Answers Choice
1	Demand deposit are	A. Bank notes B. Money C. Considered as ner money D. Legal money
2	Banks discount it and advance loans.	A. Draft B. Bill of exchange C. Pay Order D. Gold
3	Balance sheet of a bank has two parts	A. Supply and demand for deposits B. Supply and demand of Advances C. Assets and liabilities D. Cash Reserves and loans
4	Bank Prepare their balance sheet.	A. Weekly B. Monthly C. Quarterly D. Annualy
5	Which is the most widely used tool of monetary policy	A. Open market operation B. Clearing house C. Discount rate D. Issuing of the note
6	It creates credit	A. Central Bank B. Commercial Bank C. Government D. Stock exchange
7	Commercial banks accept deposits and provide	A. Money B. Loans C. Bill of exchange
8	State Bank policy of regulating interest rate is called.	A. Monetary policy B. Commercial policy C. Banking policy D. Fiscal policy
9	Out of the following the only recognised legal tender is	A. Cheque B. Currency notes and coins C. Notes and cheques D. Credit card
10	10-Rupees note is issued by	A. National Bank B. State Bank C. Govt. of Pakistan D. Governor State bank
11	Short term loans can be obtained in.	A. Money market B. Capital market C. Exchange market D. Stock Market
12	Profit and loss sharing is basis of finance under this system.	A. Islamic B. Capitalistic C. Socialistic D. None
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. Term deposit C. Saving account D. Profit loss account
14	Which is a function of commercial bank	A. Acting as a govt. banker B. Fixing the exchange rate C. Making loans D. Issuing bank notes
15	Which organisation controls the banking system in most countries.	A. Central Bank B. Commercial bank C. Investment bank D. World bank

16	A bank has Rs5 million in cash. The minimum reserve ratio is 20% What is maximum potential increase in total deposits	B. 5 m C. 10 m D. 25 m
17	Which is the source of interest for a bank	A. Advances B. Bills discounted C. Investments D. All
18	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
19	Central bank's rate of lending to commercial banks is called.	A. Interest rate B. Discount rate C. Money rate D. Inflation rate
20	Credit money is created by	A. Central bank B. Commercial Bank C. Government D. All of the above