

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

Sr	Questions	Answers Choice
1	If the exporter is not the receiver (beneficiary) of money then a letter of credit is called:	A. Resolving B. Back to Back C. Transferable D. None of the above
2	Purchasing power theory of foreign exchange was presented in.	A. 1920 B. 1962 C. 1694 D. 1881
3	These theories of foreign exchange rate include.	A. Mint par parity theory B. Purchasing power theory. C. Both a and b D. All of these
4	A pass book is issued to:	A. Current account holder B. Saving account holder C. Both A & B D. None of the above
5	Increase in ratio of cash reserve of scheduled banks.	A. Increase of credit creation B. Stop credit creation C. Decreased in credit creation D. None of these
6	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
7	Negotiable instruments are defined by Act.	A. 1881 B. 1857 C. 1694 D. 1935
8	Capital market deals in	A. Common stocks B. Shares C. Debentures D. All of these
9	The amount (capital) received by bank after issuing shares is called:	A. Reserve capital B. Paid up capital C. Authorized capital D. Issued capital
10	Bank of England and Royal Bank of Scotland are an examples of.	A. Statutory Bank B. Development bank C. Royal Bank D. None of these
11	The first central bank of Indo-Pak	A. Bank of Calcutta B. Imperial bank C. Reserve bank of India D. None of the above
12	Promissory note drawn by two or more persons is called	A. Individual promissory note B. Joint promissory note C. Foreign promissory note D. All of the above
13	Letter of credit state a limit of.	A. Credit B. Time period C. Bank D. None of these
14	If the quantity of money in circulation increases then this situation is called:	A. Inflation B. Deflation C. Money market D. All of the above
15	The market where foreign monies are bought and sold is.	A. Stock market B. Foreign exchange markets C. Open market D. None of these

16	Paying bank with respect to a letter of credit is called.	A. Advising bank B. Informatory bank C. Both these D. None of these
17	The bill of exchange who's tenor is less than three month is.	A. Long bill of exchange B. Foreign bill of exchange C. Short bill of exchange D. Sight bill of exchange
18	When goods are made available as security for a loan from bank.	A. Hypothecation B. Mortagage C. None of these D. Both a and b
19	Which letter of credit is accompanied by some documents	A. Confirmed B. Documentary C. Non-documentary D. All the above
20	The document by which the people are invited to buy the shares of bank is called	A. Memorandum of bank B. Articles of bank C. Certificate of incorporation D. Prospectus of bank