

Principles of Banking (E.M) - ICOM Part 2 Principles of Banking Chapter 10 Short Questions Preparation

Q1. What is Foreign crossed bank draft.

Ans 1: The draft which is drawn in one country and its payment is made in another country is called Foreign crossed bank draft.

Q2. What is Inland crossed bank draft.

Ans 1: The Inland crossed bank draft is one which is drawn and paid in the same country.

Q3. Define Treasury bill.

Ans 1: The Treasury bill is a document in which the government promises to pay a certain sum of money to person or business concern. This bill is transferable and contains a specified space for the name of purchaser. If the name of purchaser is not written on bill then it is paid to the bearer.

Q4. What is foreign order bank draft.

Ans 1: The draft which is drawn in one country and its payment is made in another country is called Foreign order bank draft.

Q5. What are the contents of bank draft.

Ans 1: 1- Name of bank and its branch 2- Amount of draft

Ans 2: 3- Serial number 4- Date of issue

Ans 3: 5- Name of payee 6- Signatures of bank authorized officer

Q6. What is meant by bank draft.

Ans 1: A written unconditional document drawn on a bank by another bank for payment is called bank draft.

Q7. How many parties are involved in bank draft.

Ans 1: 1- Drawer (bank branch which issues bank draft)

Ans 2: 2- Drawee (bank branch to which draft is issued)

Ans 3: 3- payee (The person who receive the amount of draft)

Q8. What are the characteristics of bank draft.

Ans 1: 1- Written form 2- Unconditonal order 3- Safe

Ans 2: 4- Certain payment 5- On demand 6- Reliable

Q9. What is Crossed bank draft.

Ans 1: If two transverse parallel lines are drawn by the bank on the upper left of the drat it is called crossed bank draft.

Q10. What is inland order bank draft.

Ans 1: The draft which is drawn and paid in the same country is called inland order bank draft.
