

Principles of Banking (E.M) - ICOM Part 2 Principles of Banking Chapter 11 Short Questions Preparation

Q1. Define Treasure 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 concer. this bill is transeferable and contains a specified space for the name of purchaser. If the name of purchaser is not wirtten on bill then it is paid to the beacer.

Q2. What are the kind of bank draft.

Ans 1: 1- Order Bank draft 2- Crossed bank draft.

Q3. What is order bank draft.

Ans 1: The draft which is paid to the person whose name is written in the draft The bank identify the payee and then makes the payment.

Q4. 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.

Q5. What is Inland crossed bank draft.

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

Q6. How many parties are involved in promissory note.

Ans 1: 1- Drawer (Buyer)or debtor who promises to pay)

Ans 2: 2- Drawee (Seller or creditor who receives the amont of promissory note)

Q7. How mnay paties are involved in bank draft.

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

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

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

Q8. Define Promissory note.

Ans 1: A document stating that a person promises to pay another person a certain sum of money at a certain date.

Q9. 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

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.
