

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

Q1. 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

Q2. What is Foreign individual promissory note.

Ans 1: The promissory note having a single person as drawer. If it is drawn in one country and its payment is made in another country is called Foreign individual promissory note.

Q3. 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.

Q4. What is Foreign joint promissory note.

Ans 1: The promissory note having two or more persons as drawer. It is drawn in one country and its payment is made in another country is called Foreign joint promissory note.

Q5. 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 amount of promissory note)

Q6. 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 receives the amount of draft)

Q7. What is Inland individual promissory note.

Ans 1: The promissory note having a single person as drawer and is drawn and paid in the same country.

Q8. What are the kind of bank draft.

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

Q9. What is Crossed bank draft.

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

Q10. 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 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.
