

## Principles of Banking (E.M) - ICOM Part 2 Principles of Banking Chapter 15 Short Questions Preparation

Q1. What is the history of INTERNET BANKING.

**Ans 1:** Internet banking introduced for the first time in 1981 by four of New York's major banks namely Chase Manhattan, Citibank, Manufacturers Hanover and Chemical. Internet banking has become the preferred way of banking in many of the developed economies around the world.

Q2. What is meant by Internal cheque requisition.

**Ans 1:** It is a form for use within a business, properly authorizing payment to be made to a supplier.

Q3. What is meant by Direct Debit.

**Ans 1:** Order to bank to make regular payments out of a bank account. The amounts to be paid are notified to the bank by the payee.

Q4. What are the products of E-Banking.

**Ans 1:** i- ATM cards ii- Debit cards iii- Credit cards iv- Internet banking

Q5. What is meant by EFTOPS.

**Ans 1:** Electronic funds Transfer at point of sale is a means of allowing a transaction to be recorded immediately in customer bank account.

Q6. Who can enjoy benefits of E-Banking.

**Ans 1:** i- Account Holders ii- Customers of bank iii- Bankers.

**Ans 2:** iv- Government v- Economy

Q7. What is meant by Floor Limit.

**Ans 1:** It is the amount up to which a business is allowed to accept credit card for payment and this limit is given by the credit card company.

Q8. What is the advantages of E-Banking.

**Ans 1:** i- Withdrawal of cash of any time through ATM terminal.

**Ans 2:** ii- Operate your account sitting in your home or office.

**Ans 3:** iii- Time saving iv- No need to carry cash

**Ans 4:** v- Facility of BACS vi- Facility of EFTOPS  
vii- Facility of mini Bank statement

**Ans 5:** viii- Facility of Online Banking etc.

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Q9. What is the history of ATMs.

**Ans 1:** ATM's were failures initially when deployed for the first time under the name of Mechanical Cash Dispenser by the City Bank of New York in 1939. The first successful ATM deployment in the world came about when Barclays Bank introduced the ATM in 1967, which was followed by the 1st Magnetic strip ATM deployment by New York's chemical bank in 1969.

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Q10. What is meant by Credit Card.

**Ans 1:** Credit cards may be used to purchase goods and services on credit. The cardholder makes payment to a retailer from an agreed credit facility line of credit. The outstanding amount is settled by the cardholder to the credit card company. Credit cards are available in most countries and many are part of the VISA and Master cards.