

Principles of Banking (E.M) - ICOM Part 2 Principles of Banking Chapter 4 Short Questions Preparation

Q1. What is meant by the "Statutory reserves" of scheduled commercial Banks.

Ans 1: It is legally required by the scheduled banks to keep a certain percentage of their totla deposit with the central bank.

Q2. Define Scheduled Banks.

Ans 1: The banks which are registered in the list of Central Bank uner is charter are called Scheduled banks. They provide banking services according to the policies and instruction of central bank Habib Bank Lt. and Allied Bank Pakistan.

Q3. Give Examples of shceduled banks in Pakistan.

Ans 1: Habib Bank Ltd.

Ans 2: Allied Bank Ltd.

Ans 3: Muslims Commercial Bank Ltd.

Ans 4: KASB bank Ltd.

Ans 5: Askari commercial Bank Ltd.

Q4. Define non -Scheduled Banks.

Ans 1: The banks which are not registered int he lsit of central bank under its charter are caleld non -sheduled banks. they are not bound ot prform banking services according to the policies and instruction of Centrla Bank.

Q5. What are the problems faced by the non scheduled bank.

Ans 1: 1- L;ack of capital 2- Non clearing house facility.

Ans 2: 3- No facility of lender of the last resort.

Ans 3: 4- Less faith of customers.

Q6. Give example of non-sheduled bank is Pakistan.

Ans 1: Al-Tow fedk investment Bank Ltd.

Ans 2: Azad Kashmir Governmetn Co-operative Bank Lt.d Muszaffarabad

Ans 3: Sindh Provencial co operative bank Lt. Karachi.

Ans 4: Al-Meezan investment Bank Ltd.

Q7. Under which law a sceheduled bank can be registered.

Ans 1: In Pakistan scheduled bank are registered under state bank of Paksitan act 1956 sec. 37(1)

Q8. Write down the advantages enjoyed by the scheduled banks.

Ans 1: i- Clearing hous efacility.

Ans 2: ii- Trust of public

Ans 3: iii- Credit facility iv- Lender of the last resort

Ans 4: v- Re-discounting of bills

Ans 5: vi- Guidance of central bank

Q9. Which documents have to submit with Central Bank to become a scheduled bank.

Ans 1: i- Memorandum of Association

Ans 2: ii- Articles of Assocaition

Ans 3: iii- Audited annual Report

Q10. What is sort of documents are requiried if a non scheduled bank want sto change its status.

Ans 1: If a non scheduled bank wants to chang it ssttus and convert into a scheduled bank it has to provide the followign documents.

Ans 2: 1- Memorandum of associationof bank

Ans 3: 2- Articles of association of Bank

Ans 4: 3- Audited Annual Report of Bank
