

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

Q1. What is meant by "PTC".

**Ans 1:** PTC means participation term certificate which are issued by the companies in place of debentures.

Q2. Under which law a scheduled bank can be registered.

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

Q3. 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

Q4. What is sort of documents are required 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

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.

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Q6. Give any five advantages of scheduled banks.

**Ans 1:** i- Export management

**Ans 2:** ii- Heavy foreign loan

**Ans 3:** iii - Lender of last resort. iv- Larger Capital vi- Trust of public

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Q7. Which documents have to submit with Central Bank to become a scheduled bank.

**Ans 1:** i- Memorandum of Association

**Ans 2:** ii- Articles of Association

**Ans 3:** iii- Audited annual Report

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Q8. Under which law a scheduled bank can be registered in Pakistan.

**Ans 1:** In our country scheduled banks are registered under state bank of Pakistan Act 1956 Sec. 37(1)

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Q9. Give example of non-scheduled bank in Pakistan.

**Ans 1:** Al-Tawfeeq Investment Bank Ltd.

**Ans 2:** Azad Kashmir Government Co-operative Bank Ltd. Muzaffarabad

**Ans 3:** Sindh Provincial Co-operative Bank Ltd. Karachi.

**Ans 4:** Al-Meezan Investment Bank Ltd.

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Q10. What percentage of assets a scheduled bank is not bound to keep within country.

**Ans 1:** Under section 33, State Bank of Pakistan Act 1956 every scheduled bank is not bound to keep 20% of its total deposits within the country.

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