

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

Q1. What percentage of assets a scheduled bank has to keep with i country.

Ans 1: Under section 33, state bank of Pakistan act 1956 every scheduled bank has to keep 80% of its deposits within the country.

Q2. Define Scheduled Banks.

Ans 1: The banks which are registered in the list of Central Bank under its 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. 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

Q4. Under which law a scheduled bank can be registered.

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

Q5. What is sort of documents are required if a non scheduled bank want to change its status.

Ans 1: If a non scheduled bank wants to change its status and convert into a scheduled bank it has to provide the following documents.

Ans 2: 1- Memorandum of association of bank

Ans 3: 2- Articles of association of Bank

Ans 4: 3- Audited Annual Report of Bank

Q6. Define non -Scheduled Banks.

Ans 1: The banks which are not registered in the list of central bank under its charter are called non -scheduled banks. they are not bound to perform banking services according to the policies and instruction of Central Bank.

Q7. 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)

Q8. What is meant by "PTC".

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

Q9. Write down the advantages enjoyed by the scheduled banks.

Ans 1: i- Clearing house facility.

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

Q10. 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.