

## Principles of Banking (E.M) - ICOM Part 2 Principles of Banking Chapter 5 Short Questions Preparation

Q1. What is meant by specimen signature card.

**Ans 1:** This card is issued by the bank at the time of opening bank account by an account holder. The bank obtain full signature of the account holder on this card for further reference.

Q2. Give the causes of opening a bank account.

**Ans 1:** i- Safety of money ii- Source of income iii- Investment iv- Savings

Q3. What are the benefits enjoyed by the "BANKER" on opening bank account.

**Ans 1:** Source of income, increase in Resources , Increase in investment.

**Ans 2:** Credit creation

Q4. What is meant by "EFTOPS"?

**Ans 1:** It means Electronic funds Transfer on the point of sale.

Q5. What is meant by pay in slip

**Ans 1:** The slip which is used to deposit cash or cheque into bank is called pay in slip is also known as " Deposit slip" or "Credit voucher". This slip includes the following account

**Ans 2:** i- Date ii- Title of account iii- Account number

**Ans 3:** iv- Signatures of depositor v- Amount of cash or cheque.

Q6. What are the benefits enjoyed by the "GOVERNMENT" on opening bank account.

**Ans 1:** i- Economic development ii- More employment

**Ans 2:** iii- High standard of living iv- Source of income

Q7. What is pass book

**Ans 1:** It is copy of depositor's account in the bank ledger, For present days computerized bank statement has removed pass book.

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Q8. What are the benefits enjoyed by the "ACCOUNT HODLER" on opening bank account.

**Ans 1:** 1- Security of money 2- Overdraft facility 3 - Reasonable income

**Ans 2:** 4- Transfer of money 5- Safety in payment.

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Q9. Write down the steps of account opening in a bank.

**Ans 1:** i- Selection of bank ii- Selection of bank branch  
iii- Selection of suitable account. iv- Contact with bank

**Ans 2:** v- Application forms vi- Attached required documents

**Ans 3:** vii- Specimen signatures card viii- issuance of account no.

**Ans 4:** ix- Pay in slip x- deposit of amount xi- Cheque book

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Q10. What is bank statement of account.

**Ans 1:** It is a document which is sent by the bank in which the transactions on the account of a customer are stated.