

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

Q1. 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.

Q2. Name the parties benefited by opening bank account.

Ans 1: The following parties enjoy benefits by opening bank account.

Ans 2: 1- Bank ii- Accountholder iii- Government

Q3. What is Term Deposit Receipt.

Ans 1: It is printed receipt issued by the bank as an evidence for depositing money into fixed deposit account for a certain fixed time period. For the withdrawal, the depositor gives this receipt to the bank.

Q4. 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 obtains full signature of the account holder on this card for further reference.

Q5. What is Basic banking account

Ans 1: In order to facilitate and provide basic banking facilities to the low income people in Pakistan. NBP has introduced BBA facility to low income people.

Q6. Define bank accounts.

Ans 1: The amount of money standing to the credit of a customer of a bank. Bank accounts are the liabilities of the bank and are assets of its customers.

Q7. Give the causes of opening a bank account.

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

Q8. What are the 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

Q9. 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.

Q10. Why current account is called " Running or active" account.

Ans 1: It is called running or active account because money can be deposited and withdrawn from this account at any time during the banking hours on daily basis.
