

Principles of Banking (E.M) - ICOM Part 2 Principles of Banking Chapter 8 Short Questions Preparation

Q1. What is meant by Crossing of cheque.

Ans 1: The drawing of two transverse parallel lines in the upper left of a cheque is called crossing of a cheque.

Q2. Define Non negotiable credit instruments.

Ans 1: 1- Postal order 2- Money order 3- I.O.U . 4- Stock certificate.

Ans 2: 5- Letter of credit

Q3. What are the two types of regular crossing.

Ans 1: 1- General Crossing 2- Special crossing

Q4. What is meant by regular crossing of a cheque.

Ans 1: If the two transverse parallel lines are drawn in the upper left of a cheque is called regular crossing of a cheque. There are two types of regular crossing

Ans 2: 1- General crossing 2- Special crossing

Q5. What are the kinds of credit instruments.

Ans 1: Negotiable credit instruments.

Ans 2: Non negotiable credit instruments.

Q6. What are the types of crossing.

Ans 1: 1- Regular crossing ii- Irregular crossing.

Q7. What are the important elements of a cheque.

Ans 1: i- Name of Bank 2- Account Number 3- Nature of account

Ans 2: 4- cheque number 5- Date 6- Word bearer or order

Ans 3: 7- Payee 8- Amount in words 9- Amount in figure

Ans 4: 10- Signatures of account holder 11- Name of account holder.

Q8. What are the main parties of a cheque.

Ans 1: 1- Drawer of cheque (account holder)

Ans 2: 2- Drawee of cheque (Bank Branch)

Ans 3: 3- Payee (The person who receive sthe amount of cheque)

Q9. What is meant by Irregular crossing of a cheque.

Ans 1: If the two transerves parallel lines are drawn not in the upper left of a cheque is called irregular crossing of a cheque.

Q10. What is the meant by word " credit"?

Ans 1: The word credit has been derived from a Latin word" Credo". Which means I believe or I trust.
