

Principles of Banking (E.M) - ICOM Part 2 Principles of Banking Chapter 9 Short Questions Preparation

Q1. What are the kinds of foreign trade.

Ans 1: 1- Import 2- export 3- Inter port

Q2. What are the advantages of bills of exchange.

Ans 1: 1- Followig are the advantages of bills of exchange

Ans 2: 2- It is a legal evidence of debt.

Ans 3: 3- It can be cased before due date by discounting.

Ans 4: 4- Debotr enjoys the benefit of tul lperiod of credit.

Ans 5: 5- Easy mean of transmitting money from one place to another.

Q3. What is time bill.

Ans 1: The amout of time bill is paid at the expiry of a fixed future tiem period as written on the bill

Q4. Define bill of exchange.

Ans 1: It is an unconditional order, signed by the maker to pay on demand or on the expiry of time period, a certain sum of money to the person or bearer of the bill.

Q5. What is the sight bill.

Ans 1: The amout of this bill paid on the presentation of bill

Q6. Who is Notary public.

Ans 1: An official empowered by governemtn to attest negotiable instruemnt by his seal to them. When a dishonoered biull has to be noted and or protested attestation by a notary publci is requierd.

Q7. What is menat by endoresmentof a bill.

Ans 1: When the rights of the ownership of the bill are transfer from one person to another person it is called endoresment of a bil. The person who endorse the bill is called endorser and in whose favour the right sare transfer is called endoresee.

Q8. What is meant by qualified acceptance.

Ans 1: When a bill is accepted with some qualification to the order of the drawer is is called qualified acceptance.

Q9. What is the meant by renewal of bill

Ans 1: If the drawee is not able to meet the bill on the due date, he may request the drawer of the bill to cancel the original bill and drew on him a new bill for or extended period. The new bill includes not only the amount of original bill but also interest.

Q10. What are the main parties of bill of exchange.

Ans 1: 1- Drawer of bill (Seller/ Creditor) 2- Drawee of bill (buyer/debtor)

Ans 2: 3- Payee (The person who receives the amount of bill)
