

## Economics - ICom Part 2 Principles of Economics Chapter 3 Short Questions Preparation

Q1. What is Mortgage bank

**Ans 1:** These bank mortgage people's property e.g. land. house and other precious goods and advance loans. Bank goes on receiving the income of the property until the borrower return the amount of loan. In Pakistan.

Q2. Write kinds of banks.

**Ans 1:** 1- Central bank 2- Commercial Bank 3- Agricultural bank

**Ans 2:** 4- Industrial bank 5- Cooperative bank

**Ans 3:** 6- Saving bank 7- Mortgage bank 8- Foreign exchange bank

Q3. Write kinds of commercial bank.

**Ans 1:** 1- Scheduled bank 2- Non - Scheduled bank

Q4. What are time deposits.

**Ans 1:** These are the deposits which are deposited with the bank for a fixed period, Bank invests these deposits in some business for a fixed period or lends. So, it pays interest comparatively at higher rate. However, if a depositor is in severe need of money, he can draw after serving a notice in advance to the bank but in this situation bank returns the principal amount only and does not pay any interest.

Q5. Define bank in the word of Prof Crowther.

**Ans 1:** "Bank is an institution which gets loans to lend and in this way creates credit money."

Q6. Who is the president of Banking council.

**Ans 1:** Deputy governor of State Bank of Pakistan

Q7. What is agriculture bank.

**Ans 1:** Agricultural bank advance loans to farmers for the development of agriculture only. This bank advances short term, medium term and long term loans to farmers for the purchase of agricultural machinery, seeds, fertilizer insecticides and installing tubewell.

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Q8. What are non -scheduled banks.

**Ans 1:** These are the banks which have started their business without the permission of central bank. No limit of their capital is fixed. They can start their business with the amount of capital, they desire, They are not registered with the central bank and are not bound to deposit any proportion of their deposits. Central bank also does not help or guide them. In Pakistan, cooperative banks are of this type of bank.

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Q9. How many banks did govt make after nationalizing commercial banks.

**Ans 1:** 1- National bank of Pakistan 2- Habib Bank Limited 3- United Bank

**Ans 2:** 4- Muslim Commercial bank limited 5- Allied bank limited

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Q10. When did the govt of Pakistan issue ordinance of nationalization of banks.

**Ans 1:** On 31st December 1973

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