

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

Q1. When did the govt of Pakistan issue ordinance of nationalization of banks.

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

Q2. Which bank have been privatized from the nationalized banks.

**Ans 1:** 1- Habib Bank Limited 2- United Bank Limited  
3- Muslim Commercial Bank Limited 4- Allied Bank Limited

Q3. What is saving deposit.

**Ans 1:** Some people deposit their small savings with the bank which are called saving deposits. Depositors can draw money at the time of need. Money can be drawn from saving deposits up to a certain limit twice a week.

Q4. Write functions of a commercial bank.

**Ans 1:** 1- Accepting deposits of the people 2- Advancing loans to needy people

**Ans 2:** 3- Discounting bills of exchange  
4- Transfer of money from one place to another.

**Ans 3:** 5- Performing agency services 6- Guardian of precious articles

**Ans 4:** 7- Direct investment

Q5. Define bank in the words of Prof. Renalds.

**Ans 1:** "Banks deal in money rather it is more appropriate to say that they deal in the transaction of loans."

Q6. What is over draft and banking system.

**Ans 1:** The amount of money which a bank allows its customer to draw over and above his own deposit is called overdraft in banking system.

Q7. Which bank is now a govt. bank from the nationalized banks.

**Ans 1:** National Bank of Pakistan

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Q8. What are profit.

**Ans 1:** In Islam interest is prohibited. So, in Islamic countries where interest-free banking is in operation, banks accept profit and loss sharing deposits instead of saving deposits.

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Q9. What are non-scheduled banks.

**Ans 1:** These are the banks which have started their business without the permission of the 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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Q10. Write kinds of commercial bank.

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

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