

Economics - ICS Part 2 Economics English Medium Chapter 3 Online Short Questions Test

Q1. What is saving bank.

Ans 1: These are banks which receive savings of the people as deposits and pay higher interest rate than the current interest rate. They do not advance loans to the people rather give the whole collected amount to government. In Pakistan national savings centers and post offices are operating as saving banks.

Q2. Define bank in the words of Prof. Renalds.

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

Q3. 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

Q4. What is agriculture bank.

Ans 1: Agricultural bank advances 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.

Q5. What is Mortgage bank

Ans 1: These banks 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 returns the amount of loan. In Pakistan.

Q6. 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

Q7. What is Foreign Exchange bank.

Ans 1: These banks perform the function of exchange of currencies of different countries. Due to this transactions in international trade become easy. These banks provide financial resources to the importers and exporters by discounting foreign bills of exchange. These banks issue drafts also for foreign payments. In Pakistan foreign banks American Express, National and Grindlays bank. Chartered bank etc. are foreign exchange bank.

Q8. 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

Q9. 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.

Q10. Define bank in the words of Prof Crowther.

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