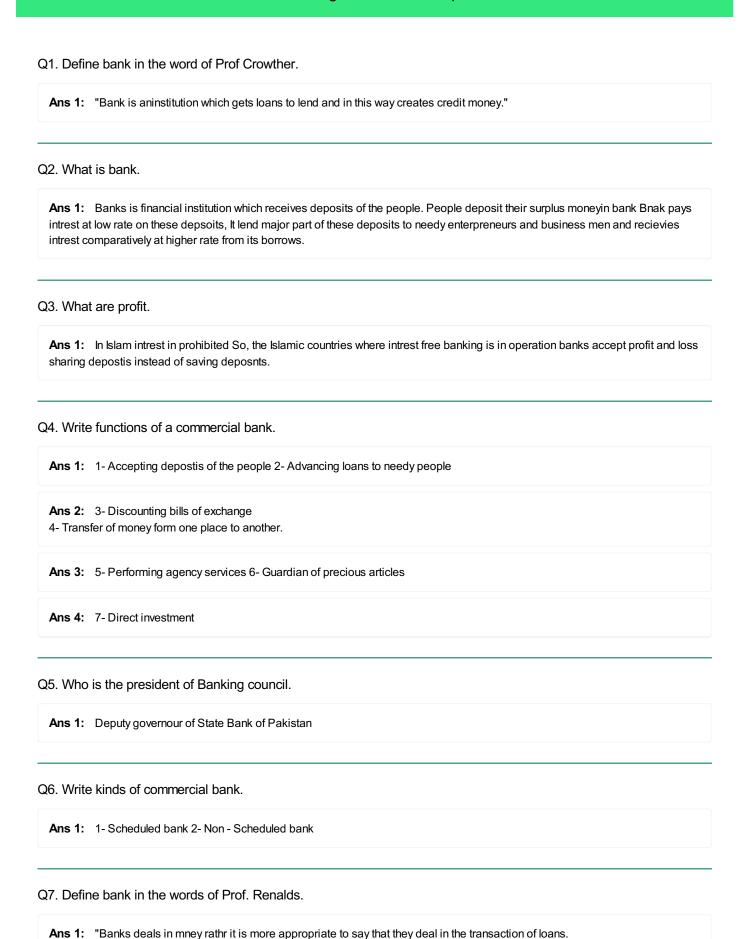


Economics - ICS Part 2 Economics English Medium Chapter 3 Online Short Questions Test



Q8. 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 over draft in banking system.

Q9. What is credit creation.

Ans 1: Advancign of loans by the banks more than the deposits of the people is called credit creation.

Q10. What is Foreign Exchang bank.

Ans 1: These banks perform the function of exchange of currencies of differnet countries Dut to this transcactions in international trade become easy. These banks provide finaincial resoruces to the importers and exporters by discounting foreign bills of exchange. These banks issue drats also for foreign payments. In pakistna foreign banks American express, National and Grindlays bank. Chartered bank etc. are foreign exchange bank