

## Principles of Banking Icom Part 2 English Medium Chapter 12 Online Test

Sr	Questions	Answers Choice
1	Generally, the instruments which are used in foreign receipts and payments called	A. Exchange rate B. Foreign exchange C. Letter of credit D. All of the above
2	Which method is mostly used in making foreign payment	A. Foreign bills of exchange B. By post C. By telegraph D. None of these
3	The price of one country's currency in term other country's currency is called	A. Foreign currency B. Traveller's L.C. C. Exchange rate D. None of these
4	If the demand of any country's currency increases then rate of exchange becomes	A. Favorable B. Unfavorable C. Both a and b D. None of these
5	The change in demand and supply of foreign currency effects	A. Exchange rate B. Traveller's L.C. C. Letter of credit D. None of these
6	The more increase in exchange rate for a country under gold standard is called	A. Lower specie point B. Middle specie point C. Upper specie point D. None of the above
7	Upper specie point is got by adding the delivery charges in following metal	A. Silver B. Gold C. Iron D. Copper
8	Which of the following changes cause to change in foreign exchange rate	A. Change in export and imports B. Change in capital flow C. Change in bank rate D. All the above
9	What is the objective of foreign exchange control	A. To stabilize exchange rate B. To increase government revenue C. Favorable balance of payment D. All the above
10	Foreign exchange control reduces the	A. Circulation of capital B. Export of capital C. Import of capital D. None of the above
11	Which of the following rate keeps the balance of payments in equilibrium	A. Discount rate B. Interest rate C. Exchange rate D. Market rate
12	Which of the following theories is associated with the working of international gold standard	A. Mint par parity theory B. Purchasing power theory C. Balance of payments theory D. All of the above
13	The term foreign exchange includes	A. Bank draft B. Letter of credit C. Foreign B/E D. All the above
14	The money sent through post office from one country to another	A. Traveller's cheque B. Bank draft C. Letter of credit D. International money order
15	The rate of exchange determined by two countries following non-convertible paper currency system is a point where	A. The purchasing power of currency is same B. The purchasing power of currency is different C. The purchasing power of currency is zero D. None of the above
16	The word L.C stand for.	A. Long credit B. Less credit C. Letter of credit D. None of these
17	The kind of commercial letter of credit includes.	A. Revocable L.C. B. Unconditional L.C. C. Confirmed L.C. D. All of these
18	the developed form of red clause L.C. is.	A. Revocable L.C. B. Green clause L.C. C. Unconfirmed L.C. D. All of these
19	The Kind of non commercial letter of credit includes.	A. Traveler L.C. B. Circular note C. Credit card D. All of these
20	The word IOU means.	A. I am your creditor B. I am your debtor C. I am your friend D. None of these
21	The bank that makes payment to the exporter after receiving L.C. is called.	A. Advising bank B. Informatory bank C. Paying bank D. All of these
22	Which party to L.C. is called beneficiary.	A. Import B. Export C. Advising bank D. Opening bank

23	Letter of credit state a limit of.	A. Credit B. Time period C. Bank D. None of these
24	Letter of credit is opened by.	A. Importer's bank B. Exporter's bank C. Wholse seller D. None of these
25	Paying bank with respect to a letter of credit is called.	A. Advising bank B. Informatory bank C. Both these D. None of these
26	The example of non commercial letter of credit.	A. Red clause L.C. B. Green clause L.C. C. Traveler's L.C. D. Documentary L.C.
27	Which of the following nature does IOU have.	A. An autograph B. A monograph C. A sonograph D. A holograph
28	I.O.U. Is a credit instrument.	A. Negotiable B. Non Negotiable C. Partial Negotiable D. Conditional negotiable
29	Non geogibale credit instruemnt are.	A. Letter of credit B. I.O.U C. Money order D. All of these
30	Parties involved in I.O.U	A. Three B. Four C. Two D. Five
31	Features of I.O.U. are	A. Written form B. Evidence of debt C. Fixed amount D. All of these
32	Postal order is the example of.	A. Negotible credit instrument B. Cash instruent C. Non negotiable credit instrument D. None of these
33	Parties involved in postal order	A. Two B. Three C. Four D. Five
34	Feature of postal order	A. Serial no B. value C. Commission D. All of these
35	Transfer of money from one palce to another place with the help of post office.	A. Cheque B. Draft C. Money order D. None of these
36	Content of money order includes.	A. Fixed amount B. Non transferable C. Identification D. All of these
37	Parties involvedin money order.	A. Two B. Three C. Four D. Five
38	The L.C. which is accompanied by some documents is called.	A. Documentary L.C. B. Revolving L.C. C. Back to back L.C. D. Simple L.C.
39	Stock certificates are issued by.	A. Cental bank B. Stock market C. Limite Company D. Partnership
40	Which party of the L.C. is called beneficiary.	A. Opening bank B. Buyer C. Exporter D. Ex porter's bank
41	If there is no gurantee to honour the L.C. It is called.	A. Documentary L.C. B. Revolving L.C. C. Back to back L.C. D. Unconfirmed L.C.
42	Which of the following is a non commercial L.C.	A. Revolving L.C. B. Traveler's cheque C. Unconfirmed L.C. D. Special L.C.
43	In L.C. the other name of importer's bank is.	A. Buyer bank B. Opening bank C. Issuing bank D. All of these
44	In L.C. the other name of exporter's bank is.	A. Paying bank B. Advising bank C. Negotiating bank D. All of these
45	The purpose of credit card is.	A. Sell goods B. Control credit C. Purchase goods D. None of these

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