

## Principles of Banking ICOM Part 2 English Medium Chapter 2 Online Test

| Sr | Questions   | Answers Choice  |
|----|---|---|
| 1  | The loan which can be demanded by bank at anytime:                                      | A. Overdraft B. Demand loans C. Bills of exchange D. All of the above   |
| 2  | Why commercial banks keep a certain amount of money as reserve                          | A. Meeting the requirements of customers B. Meeting the requirements of central bank C. Acquiring the satisfaction of having cash D. Expanding the banking business |
| 3  | The documents which present a summary and balance of accounts of an A/C holder in bank. | A. Balance sheet B. Pass book C. Prospectus D. Bank Staement  |
| 4  | In Pakistan the bank nationalized Act is.   | A. Act 1956<br>B. Act 1932<br>C. Act 1962<br>D. Act 1974  |
| 5  | For commercial banks deposits are.  | A. Assets B. Liabilities C. Income D. Expense   |
| 6  | The relation ship between Cash Reserve and credit creation is.                          | A. No relationship B. Direct C. Inverse D. One way  |
| 7  | Which of the following is a limitation in credit creation                               | A. Initial deposit B. Use of cheques C. Use of currency D. All of these   |
| 8  | the card which can be used to pay for goods purchased.                                  | A. ID card B. Credit card C. Chrage card D. Gurantee card   |
| 9  | Which bank does accept the deposits from public   | A. Commercial bank B. Central bank C. Foreign exchange bank D. All the above  |
| 10 | For its customers a commercial bank sells and buys:                                     | A. Foreign exchange B. Property C. Securities D. All of the above   |
| 11 | Pay Order is issued by the bank when the debtor and creditor belongs to.                | A. Two different cities B. With in same city C. Two different counties D. All these   |
| 12 | Cash reserve of commercial Banks includes.  | A. Cash in hand B. Cash with SBP C. Balance with other banks D. All the above   |
| 13 | Commercial bank is called:  | A. Banker's bank B. Bank of public C. Custodian of foreign exchange D. Banker to the Government   |
| 14 | Over draft facility is only provided on:  | A. Current account B. Fixed deposit C. Saving account D. All of the above   |
|    |   | A. Debit card   |

| 15 | Which of the folloiwng is a valid method of receivig payment from debtors. | B. Credit card C. ATM card D. Cash   |
|----|--|--|
| 16 | Which of the following is a limitation in credit creation.                 | A. Initial deposit B. Use of cheques C. Use currency D. all of these   |
| 17 | A commercial bank keeps less cash reserve if:                              | <ul> <li>A. Cheque is used in most of the transactions</li> <li>B. Cheque house facilty is available</li> <li>C. Rediscounting facility is available</li> <li>D. All of the above</li> </ul> |
| 18 | The higer the cash reserve ratio.  | <ul><li>A. Credit creation zero</li><li>B. Credit creation constant</li><li>C. Higher the credit creation</li><li>D. Lower the credit creation</li></ul>                                     |
| 19 | Which affairs of Banks are revealed by articles of Banks.                  | A. Internal B. External C. Political D. Financial  |
| 20 | Banking companies ordinace is  | A. 1962<br>B. 1984<br>C. 1932<br>D. 1694   |