

Principles of Banking Icom Part 2 English Medium Chapter 8 Online Test

Sr	Questions	Answers Choice
1	Why does a bank grant loans to businessmen	A. To purchase raw material B. To pay wages C. To pay development expenditures D. All the above
2	Which things can be accepted by bank as security at the time of granting loan	A. Gold and silver B. Property C. Shares and debentures of company D. All the above
3	Popular types of loan issued by the bank according to term are	A. Two B. Three C. Four D. Five
4	What is called a good security	A. Whose price can be determined easily B. Which does not have any government restriction C. Whose ownership is totally clear D. All the above
5	Bank prefers to advance loan on such documents	A. Which are easy to keep B. Which are transferable C. Whose price can be determined easily D. All the above
6	The loans which are issued for the period of one to five year called	A. Demand loans B. Short term loans C. Medium term loans D. Long term loans
7	The loan which is granted by bank to account holder on temporary basis called	A. Cash credit B. Overdraft C. Demand loan D. None of the above
8	The main sources of bank's fund are	A. Own capital B. Deposits C. Loan from other banks D. All the above
9	Main uses of bank funds are	A. Advancing loans B. Direct investment C. Both a and b D. None of these
10	The loan which can be demanded at any time are called	A. Short term loans B. Demand loans C. Overdraft D. All the above
11	What is meant by hypothecation	A. To hand over the goods or documents of title to goods by a customer to the bank as a security against a debt B. To hand over the documents of property by a customer until the repayment of debt C. A type of security in which neither the ownership nor the possession passes to the bank D. A receipt of loan which shows that money has been borrowed against an immovable property as a security
12	What is meant by the principle of diversity regarding issuance of loan	A. Lending only to those who can repay the debt at short notice B. Lending against some material security C. Lending in terms of sure repayment D. Lending to different businesses or

13	Who does accept the responsibility for repayment debt	A. Guarantor B. Personal security C. Both a and b D. None of the these
14	Which of the following is a highly marketable security	A. Document of title to goods B. Shares and debentures C. Immovable property D. All the above
15	Bank should advance loans to those people who are strong	A. Financially B. Domestically C. Politically D. All the above
16	Security is a powerful tool that ensure the repayment of:	A. Deposit B. Debt C. Interest D. None of the above
17	Long term is advanced against the following security:	A. Non-material B. Material C. Personal D. All of the above
18	Security is a powerful tool that ensure tthe repayment of:	A. Deposit B. Dept C. Interest D. None of the above
19	Long term loan is advanced against the following security:	A. Non-material B. Material C. Personal D. All of the above
20	Long term loan period is consisted of:	A. Days B. Months C. Years D. All of the above
21	On which of the following amount of overcraft, bank receives interest:	A. Fix B. Total C. Used D. All of the above
22	The document which reveals the ownership of goods kept on port:	A. Bill of lading B. Dock warrant C. Delivery order D. Railway receipt
23	The commercial banks provide the following type of loan by discounting the B/E:	A. Short term B. Medium term C. Long term D. All of the above
24	The loans obtained for meeting the administrative expenses and purchase of raw material are:	A. Short term loans B. Medium Term lonas C. Long Term lonas D. All of the above
25	In case of mortgage, the property remains in the possession of:	A. Lender (creditors) B. Borrower (debtors) C. The government D. All of the above
26	The goods or items accepted as security for advancing loan should not be:	A. Durable B. Insured C. Under burden D. Liquid
27	The word credit has been derived from a latin word.	A. Credo B. Credere C. Creditor D. None of these
28	Negotiable instruments are defined by Act.	A. 1881 B. 1857 C. 1694 D. 1935
29	Negotiable credit instruments does not includes.	A. Cheque B. ATM card C. Draft D. Promissory
		A. Control credit B. Stop credit

30	Negotiable credit instrument.	<p>B. Stop credit</p> <p>C. Create credit</p> <p>D. None of these</p>
31	The types of credit instrument are.	<p>A. Four</p> <p>B. Two</p> <p>C. three</p> <p>D. None of these</p>
32	Cheque is a credit instrument.	<p>A. Partial negotiable</p> <p>B. Negotiable</p> <p>C. Non negotiable</p> <p>D. None of these</p>
33	The cheque which cannot be cashed on the bank counter.	<p>A. Bearer cheque</p> <p>B. Crossed cheque</p> <p>C. Order cheque</p> <p>D. Both bearer and order</p>
34	The numebr of parties in a cheque are.	<p>A. Two</p> <p>B. Five</p> <p>C. Four</p> <p>D. Three</p>
35	Two transverse parallel lines on the face of cheque.	<p>A. Crossingof cheque</p> <p>B. Dishnoring of cheque</p> <p>C. Endorsed of cheque</p> <p>D. Retirementof cheque</p>
36	If the bank refuses to pay the amount of cheque.	<p>A. Discounting</p> <p>B. Crossing</p> <p>C. Dishonoring</p> <p>D. None of these</p>
37	The person in who's favor a cheque is endorsed is called.	<p>A. Endorser</p> <p>B. Debtor</p> <p>C. Endorsee</p> <p>D. None of these</p>
38	Cheque consists of future date is called.	<p>A. Out date</p> <p>B. Post dated</p> <p>C. Anti dated</p> <p>D. None of these</p>
39	Crossing makes the cheque	<p>A. Acceptable</p> <p>B. Dishonour</p> <p>C. Safe</p> <p>D. None of these</p>
40	Alternation in cheque must be singed by.	<p>A. Payee</p> <p>B. Debtor</p> <p>C. Drawer</p> <p>D. All of these</p>
41	Account payee only in the transverse parallel line.	<p>A. Bearer cheque</p> <p>B. Special crossing</p> <p>C. General crossing</p> <p>D. None of these</p>
42	Parties involved in a cheque.	<p>A. A/c holder</p> <p>B. Bank</p> <p>C. Payee</p> <p>D. All of these</p>
43	Cheque is always payable on.	<p>A. Phone call</p> <p>B. At sight</p> <p>C. After banking hour</p> <p>D. On demand</p>
44	On every cheque bank gets.	<p>A. Tax</p> <p>B. Profit</p> <p>C. Duty</p> <p>D. Commission</p>