

ICS Part 2 Economics English Medium Online Test

Sr	Questions	Answers Choice
1	Credit money is created by	A. Exchange bank B. Commercial Bank C. Finance companies D. None of the above
2	Credit money is created by	A. Central bank B. Commercial Bank C. Government D. All of the above
3	Which is considered liability by a bank	A. Loans B. Bank building and equipment C. Time deposit D. Securities
4	Demand deposit mean	A. Saving account B. Chequeable deposits C. Profit loss account D. Time deposits
5	When a commercial bank creates credit. Its immediate effect is that it raises.	A. The exchange rate B. The money supply C. The interest rate D. The real national income
6	Which is a function of commercial bank	A. Acting as a govt. banker B. Fixing the exchange rate C. Making loans D. Issuing bank notes
7	Commercial banks are able to create money by	A. Making loans B. Printing Money C. Moral suasion Selling government loans D. Printing money
8	Which is the source of interest for a bank	A. Advances B. Bills discounted C. Investments D. All
9	The following is not a bank liability.	A. Demand deposit B. Time deposit C. Loan D. Saving Deposit
10	A bank has Rs5 million in cash. The minimum reserve ratio is 20% What is maximum potential increase in total deposits	A. 0 B. 5 m C. 10 m D. 25 m
11	An asset is liquid when it is	A. Being traded frequently B. Earning a good rate of return C. Is money or easily converted into money D. All of the above
12	Demand deposits are	A. Bank notes B. Money C. Considered as near money D. Legal money
13	The following is not a bank liability.	A. Demand Deposit B. Time deposit C. Loans D. Saving Deposit
14	A bank has Rs. 5 million in cash The minimum reserve ratio is 20% What is maximum potential increase in total deposits.	A. 25 m B. 10 m C. 5 m D. 0 m
15	Demand deposits are	A. Money B. Bank note C. Legal Money

		D. Considered to near money
16	Demand deposit are.	A. Money B. Bank notes C. Legal money D. Considered and near money
17	Balance sheet of a bank has two parts	A. Supply and demand for deposits B. Supply and demand of Advances C. Assets and liabilities D. Cash Reserves and loans
18	Bank Prepare their balance sheet.	A. Weekly B. Monthly C. Quarterly D. Annually
19	Banks discount it and advance loans.	A. Draft B. Bill of exchange C. Pay Order D. Gold
20	The bank can give loans	A. Unlimited B. Equal to deposits C. less than deposits D. More than deposits