

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

Sr	Questions	Answers Choice
1	Which is the secondary function of a commercial bank.	A. Accepting deposits B. Advancing loans C. Collection of cheques D. all of these
2	If a credit is lost, what should the holder do.	A. Report to employer B. report to bank C. Report to insurance co. D. All the above
3	Cash reserve of commercial Banks includes.	A. Cash in hand B. Cash with SBP C. Balance with other banks D. All the above
4	While depositing money in your a/c you must use.	A. Pay in slip B. Deposit slip C. Credit voucher D. All of these
5	Which of the following is a valid method of receiving payment from debtors.	A. Debit card B. Credit card C. ATM card D. Cash
6	The higher the cash reserve ratio.	A. Credit creation zero B. Credit creation constant C. Higher the credit creation D. Lower the credit creation
7	For more credit creation a bank must have.	A. More demand deposits B. More fixed deposits C. More time deposited D. All of these
8	Which of the following is a limitation in credit creation.	A. Initial deposit B. Use of cheques C. Use currency D. all of these
9	The relation ship between Cash Reserve and credit creation is.	A. No relationship B. Direct C. Inverse D. One way
10	Decrease in cash reserve ratio of scheduled Banks.	A. No effect B. Decrease in credit creation C. Increase in credit creation D. Stop credit creation
11	Increase in ratio of cash reserve of scheduled banks.	A. Increase of credit creation B. Stop credit creation C. Decreased in credit creation D. None of these
12	Which of the following is not an example of plastic money	A. Debit card B. ATM card C. Currency notes D. Credit card
13	For commercial banks deposits are.	A. Assets B. Liabilities C. Income D. Expense
14	Which is the secondary function of commercial bank.	A. Accepting deposits B. Advancing loans C. Collection of cheques D. All of these
15	To make payments of variable amounts to a stated A/c	A. Direct Debit B. Standing order C. Inter bank transfer D. Clearing House system

