

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

Sr	Questions	Answers Choice
1	Formula for calculating total credit creation:	A. New deposit x 1/Reserve ratio B. New deposit x Reserve ratio/1 C. Reserve ratio x 1/New deposit D. None of the above
2	A commercial bank keeps less cash reserve if:	A. Cheque is used in most of the transactions B. Cheque house facility is available C. Rediscounting facility is available D. All of the above
3	The forms of cash reserve of commercial bank:	A. Cash in hand B. Reserve with central bank C. Receivable from other banks D. All of the above
4	Commercial bank is called:	A. Banker's bank B. Bank of public C. Custodian of foreign exchange D. Banker to the Government
5	The important (basic) kinds of accounts opened in commercial banks are:	A. Two B. Three C. Four D. countless
6	The kind of loan according to issue	A. Cash credit B. Discounting of bill C. Mortgage loan D. All of the above
7	The primary function of commercial bank are	A. Accepting deposits B. Advancing loans C. Both a and b D. None of these
8	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
9	Which of the following is meant for presenting a summary and balance of accounts of bank customers	A. Bank statement B. Balance sheet C. Pass book D. Prospectus
10	Which of the following functions is performed by commercial bank	A. Issuance of currency notes B. Credit creation C. Rediscounting of bills D. Preparation of monetary policy
11	Commercial bank creates the following Money	A. Metallic B. Credit C. Paper D. All the above
12	Current account is suitable for	A. Capitalists B. Salaried persons C. Business community D. None of the above
13	Commercial bank advises its customers on	A. Household matters B. Financial matters C. Political matters D. All the above
14	Commercial bank can be regarded by nature as	A. Depository bank B. Central bank C. Investment bank D. None of the above

- A. Deposited many times
 - B. Deposited only once
 - C. Withdrawn many times
 - D. None of the above
-