

## Principles of Banking Icom Part 2 English Medium Chapter 4 Online Test

| Sr | Questions  | Answers Choice  |
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| 1  | The institution responsible for the contraction and expansion of money in the best interest of general public is called:   | A. Commercial bank<br>B. Clearing house<br>C. Central bank<br>D. Chamber of commerce  |
| 2  | Pakistan's central bank was established in:  | A. 1947<br>B. 1948<br>C. 1949<br>D. 1950  |
| 3  | When was the first central bank of sub-continent established:  | A. 1635<br>B. 1732<br>C. 1835<br>D. 1935  |
| 4  | Qualitative methods of monetary policy do not include:   | A. Direct actions<br>B. Publicity<br>C. Bank rate policy<br>D. Moral persuasion   |
| 5  | Important functions of a central bank:   | A. To issue currency notes<br>B. To provide banking facilities to government<br>C. To advise commercial banks<br>D. All of the above        |
| 6  | Riksbank of Sweden became central bank in:   | A. 1568<br>B. 1668<br>C. 1768<br>D. None of the above   |
| 7  | Central bank supervises one of the following systems of a country:   | A. Provincial<br>B. Political<br>C. Economical and financial<br>D. None of the above  |
| 8  | Central bank is owned by   | A. Public<br>B. Government<br>C. Commercial banks<br>D. All of the above  |
| 9  | If credit money is controlled by the sale and purchase of government securities, it is called  | A. Direct action<br>B. Moral persuasion<br>C. Change in reserve ratio<br>D. Open market operation   |
| 10 | Which is the quantitative method of credit control   | A. Change in reserve ratio<br>B. Change in margin requirement<br>C. Selective control<br>D. Publicity                                       |
| 11 | What is the purpose of monetary policy   | A. To control banking system<br>B. To control supply of money<br>C. To control foreign exchange<br>D. To control stock market               |
| 12 | What is the objective of clearing house  | A. To control credit money<br>B. To clear the transactions of different banks<br>C. Training of banking staff<br>D. Re-discounting of bills |
| 13 | Which term is used in connection with monetary policy  | A. Bank rate<br>B. Exchange rate<br>C. Wage rate<br>D. Market rate  |
| 14 | What are the objectives of monetary policy   | A. Stability in price<br>B. Exchange stability<br>C. Stability in capital market<br>D. All of the above                                     |
| 15 | Under fixed fiduciary system, if notes are issued in excess of fiduciary limit then how much value of precious metal or foreign exchange is kept as reserve for over issue | A. 5%<br>B. 10%<br>C. 30%<br>D. 40%   |

