

Principles of Banking Icom Part 2 English Medium Online Test

Sr	Questions	Answers Choice
1	The more increase in exchange rate for a country under gold standard is called	A. Lower specie point B. Middle specie point C. Upper specie point D. None of the above
2	The change in demand and supply of foreign currency effects	A. Exchange rate B. Traveller's L.C C. Letter of credit D. None of these
3	If the demand of any country's currency increases then rate of exchange becomes	A. Favorable B. Unfavorable C. Both a and b D. None of these
4	The price of one country's currency in term other country's currency is called	A. Foreign currency B. Traveller's L.C. C. Exchange rate D. None of these
5	Which method is mostly used in making foreign payment	A. Foreign bills of exchange B. By post C. By telegraph D. None of these
6	Generally, the instruments which are used in foreign receipts and payments called	A. Exchange rate B. Foreign exchange C. Letter of credit D. All of the above
7	Which of the following is a non-commercial letter of credit	A. Irrevocable letter of credit B. Red-clause letter of credit C. Special letter of credit D. Traveller's letter of credit
8	Which type of letter of credit authorized the exporter to obtain an advance before the shipment of goods	A. Documentary letter of credit B. Green-clause letter of credit C. Confirmed letter of credit D. Red-clause letter of credit
9	Which of the following can be cancelled by the issuing bank without the consent of the other parties	A. Revocable letter of credit B. Irrevocable letter of credit C. Revolving letter of credit D. Unconditional letter of credit
10	Which of the following parties of a letter of credit is called beneficiary	A. Importer B. Exporter C. Opening bank D. Advising bank
11	Which letter of credit is automatically renewed by fulfilling certain conditions	A. Fixed B. Documentary C. Confirmed D. Revolving
12	Which letter of credit is accompanied by some documents	A. Confirmed B. Documentary C. Non-documentary D. All the above
13	Stock certificate is a document issued by	A. Commercial bank B. Central bank C. Limited companies D. Stock-market
14	Which of the following is useful in facilitating trade relation between the businessmen of different countries	A. Bank draft B. Money order C. Letter of credit D. Stock certificate
15	Where are the stock certificates sold and bought	A. At commercial bank B. At central bank C. At post office D. At stock exchange

