

BANKING 2021

(AS PER CONDENSED SYLLABUS)

TIME: 2 Hours

(75 Marks)

NOTE:

i) This section consists of 38 part questions and all are to be answered. Each question carries ONE marks.

ii) Do not copy the part questions in your answer book. Write only the answer in full against the proper number of the question and its part.

SECTION 'A' (Multiple Choice Questions)(38)

1. Select the correct answer for each from the given options:

- i) Schedule banks are the member of:
- * Habib bank
 - * National Bank
 - * Central bank ✓
 - * Commercial bank
- ii) These are not ancestors of early banking:
- * Goldsmiths
 - * Moneylenders
 - * Merchants
 - * Industrialists ✓
- iii) Central bank rediscounts bills of exchange of commercial banks at:
- * Commission
 - * Exchange rate
 - * Profit rate
 - * Bank rate ✓
- iv) This is not used for foreign payment:
- * Bill of exchange
 - * Money order ✓
 - * Bank draft
 - * Postal order
- v) Creation of credit money is a function of:
- * Central Bank
 - * Exchange Bank
 - * Commercial Bank ✓
 - * Industrial Bank
- vi) The first ever regular bank in banking history is the:
- * Bank of Barcelona
 - * Bank of England
 - * Bank of Venice ✓
 - * Bank of India
- vii) Alteration in cheque must be signed by the:
- * Bank manager
 - * Drawer ✓
 - * Payee
 - * Endorser
- viii) Difference of visible imports and exports is called:
- * Balance of Payment
 - * Adverse Balance of Trade
 - * Adverse Balance of Payment
 - * Balance of trade ✓
- ix) Crossing of cheque can be cancelled by the:
- * Drawer ✓
 - * Payee
 - * Endorser
 - * Drawee
- x) The Purchasing power parity theory was presented by:
- * Recardo
 - * Gustaf Castle ✓
 - * Robbins
 - * Alfred Marshal
- xi) Monopoly of currency is a characteristics of the:
- * Federal government
 - * Provincial government
 - * Commercial banks
- xii) A notice must served in case of :
- * cheque
 - * promissory note
 - * cross cheque
 - * bill of exchange ✓
- xiii) The bank with the central bank is called:
- * Statutory Bank
 - * Commercial Bank
 - * Non-scheduled Bank
 - * Scheduled Bank ✓
- xiv) The price at which the currency of one country is exchange with another is:
- * Transfer of money
 - * Foreign exchange
 - * Demand draft
 - * Rate of exchange ✓
- xv) The bill of exchange is accepted by the:
- * Buyer ✓
 - * Seller
 - * Bank
 - * Payee
- xvi) Bank can pay this kind of cheque to any person:
- * Bearer ✓
 - * Cross
 - * Order
 - * Dishonoured
- xvii) A bill of exchange is:
- * Unconditional order ✓
 - * Unconditional Promise
 - * A conditional order
 - * Conditional promise
- xviii) This bank deals in receiving deposits and advancing loans:
- * Central Bank
 - * Commercial bank ✓
 - * Mortgage Bank
 - * Exchange Bank
- xix) Bank rate determination is in function of:
- * Provincial government
 - * Federal government
 - * Central Bank ✓
 - * Commercial bank
- xx) Clearing house reduces the movement of:
- * plastic money
 - * currency ✓
 - * credit instrument
 - * gold silver
- xxi) Rediscounting of bill of exchange is the function of:
- * Commercial Bank
 - * Agricultural Bank
 - * Central bank ✓
 - * Industrial Bank
- xxii) This is always payable on demand is:
- * Rent payable
 - * Cheque ✓
 - * Note payable
 - * Bill payable
- xxiii) State Bank of Pakistan was established on:
- * 14th August 1947
 - * 1st July 1948 ✓
 - * 30th December 1947
 - * 11th September 1948
- xxiv) Noting and Protesting is necessary on dishonor of:
- * Bill of Exchange ✓
 - * Promissory Note
 - * Cheque
 - * Letter of Credit
- xxv) It is not a qualitative method of credit control:
- * Rationing of Credit ✓
 - * Direct Action
 - * Moral Persuasion
 - * Publicity
- xxvi) Commercial Bank provide overdraft facility only to this account holder:
- * fixed
 - * Basic Banking
 - * Saving
 - * Current ✓
- xxvii) Name of a bank and branch is mentioned is crossing a cheque is called:
- * Special crossing ✓
 - * only crossing
 - * general crossing
 - * restrictive crossing
- xxviii) It cannot be encashed from the bank counter:
- * Bearer Cheque
 - * Open cheque
 - * Order cheque
 - * Cross Cheque ✓
- xxix) It is not a method of issuing currency:
- * Simple Deposit
 - * Proportional Reserve
 - * Minimum Reserve
 - * National Reserve ✓
- xxx) A cheque can be encashed during:
- * 6 months ✓
 - * 8 months
 - * 10 months
 - * one year
- xxxi) When central bank starts sell of government securities to control the credit is called:
- * Open market operation ✓
 - * Rationing of Credit
 - * Bank Rate Policy
 - * Change in Reserve Ratio
- xxxii) The word Endorsement means:
- * on cheque
 - * on backside ✓
 - * on front side
 - * on bill of exchange
- xxxiii) Bank does not pay interest on this account:
- * Fixed
 - * PLS
 - * Saving
 - * Current ✓
- xxxiv) ATM can be operated by entering:
- * Account Number
 - * National Tax Number
 - * Personal Identification Number (PIN) ✓
 - * CNIC number
- xxxv) It is not included in the parties of cheque:
- * Acceptor
 - * Payee
 - * Drawer
 - * Drawee
- xxxvi) Acceptance is necessary in case of:
- * Bill of exchange ✓
 - * Letter of Credit
 - * Promissory Note
 - * Cheque
- xxxvii) Head Office of State Bank of Pakistan is located in:
- * Islamabad
 - * Lahore
 - * Karachi ✓
 - * Rawalpindi
- xxxviii) Currently rate of exchange is determined under:
- * Gold Standards
 - * Purchasing Power Parity Theory
 - * Free Fluctuation Rate ✓
 - * Fixed Exchange Rate

SECTION 'B' (Short-Answer Questions) (25)