

# **Principles of Banking**

## **Important Short Questions - I.Com XII (2019)**

- 1- Define Bank
- 2- How the word bank is derived?
- 3- How the word bankrupt is derived?
- 4- Role of which people is considered important for evolution of bank.
- 5- Name any four Specialized or development banks.
- 6- Define Exchange Bank
- 7- Define Agricultural development bank
- 8- Define Saving bank
- 9- Define Investment bank
- 10- Define Industrial development bank
- 11- Define Cooperative bank
- 12- Who are promoters?
- 13- Define Articles of association write any four points.
- 14- Define Memorandum of association write any four points.
- 15- Define Prospectus write any four points.
- 16- Write down the methods of formation of bank.
- 17- Define Loan/ types of loan/ short, medium and long term loan
- 18- Define overdraft
- 19- Define Cash reserve
- 20- Define Balance sheet of Bank
- 21- Define underwriters
- 22- Methods of Creating credit by bank.
- 23- Define cash credit / cash finance.
- 24- Define demand loan.
- 25- What are the products of E-banking?
- 26- Define Debit card
- 27- Define Credit card
- 28- Define Online Banking
- 29- What is meant by ATM?
- 30- Define Pin Code
- 31- Define floor limit
- 32- When was State Bank of Pakistan established?
- 33- When was the first central bank established?
- 34- Define Central Bank
- 35- What is NIFT?
- 36- Define Monetary policy
- 37- Quantitative methods of credit control any four points
- 38- Qualitative methods of credit control any four points
- 39- What is open market operation?
- 40- Methods of Note issue.
- 41- Define Clearing House
- 42- Define Scheduled / Non Scheduled Bank
- 43- Write down any four merits of Scheduled Bank.

- 44- What is meant by Bank Account?
- 45- Define Cheque Book
- 46- Define Pass Book
- 47- Write down four points in contents of Cheque book
- 48- Define pay in slip
- 49- Define Current Account, Profit and Loss Account, Fixed Deposit Account and Foreign Currency account.
- 50- Advantages to account holder for opening bank account any four points
- 51- What is the ratio/rate of deduction of zakat on current account?
- 52- Four steps of opening bank account.
- 53- Documents issued by bank on opening account
- 54- What are the important sources of bank funds?
- 55- What are the precautions considered by bank at time of advancing loan?
- 56- Principles of advancing loan any four points
- 57- Define Security
- 58- Qualities of good security any four points
- 59- Define term Mortgage
- 60- Define term Pledge
- 61- Define Credit Instruments
- 62- Define Negotiable instruments give examples
- 63- Define Non-Negotiable instruments give examples
- 64- Define Cheque
- 65- What are the main Parties of Cheque?
- 66- Define Bearer Cheque, Order Cheque and Cross Cheque
- 67- What is dishonoring of Cheque?
- 68- Define Endorsement of Cheque/ Crossing of cheque.
- 69- Define Bills of Exchange
- 70- What are the parties of Bills of Exchange?
- 71- State the types of Bills of Exchange
- 72- Define Promissory note
- 73- What are the parties of promissory note?
- 74- Define Bank Draft
- 75- What are the parties of Bank draft?
- 76- Define Treasury bill
- 77- Who is banker?
- 78- Define minor customer.
- 79- Define postdated Cheque.
- 80- Define letter of credit and its types.
- 81- What is dishonor of bill?
- 82- Define importer.
- 83- Define payee.
- 84- Write down the name of law for registration of scheduled bank.
- 85- Define secured loan.
- 86- Define bill of lading.
- 87- Define guarantee.
- 88- Define inland bill of exchange.
- 89- Define grace days.
- 90- Four merits of bill of exchange.

- 91- Define postal order.
- 92- Define stock certificate.
- 93- Define drawer of bill of exchange.
- 94- Write the name of four important departments of State Bank of Pakistan.
- 95- Define money order.
- 96- Define balance of payment and balance of trade.
- 97- Write the name of any four private banks.
- 98- Write down the names of three nationalized banks.
- 99- Write down any four advantages of Islamic banking.
- 100- Define capital market.
- 101- Define stock market.
- 102- What is meant by foreign exchange market.
- 103- What is the role of State Bank of Pakistan in training bankers.
- 104- Give the name of any four development functions of State Bank of Pakistan.
- 105- Why National bank of Pakistan was formed.
- 106- Write down two functions of Agricultural development bank.
- 107- What is meant by personal security.
- 108- Write the basic principles of Islamic investment.
- 109- Define Mudarba, Musharka and Concept of Riba.
- 110- What are the kinds of specie points.
- 111- Explain the term lender of last resort of banks.
- 112- Define money lender.
- 113- Define bank rate.
- 114- Explain the reasons which create problems in foreign exchange.
- 115- Explain importance of money market.
- 116- Define spot exchange rate.

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# **Principles of Banking**

## **Important Long Questions for Board Exams**

### **For I.Com XII (2019)**

- 1- Write a note on the evolution of Bank / Role of which people is considered important for the evolution of Bank.
- 2- Describe the various kinds of Bank.
- 3- Write a note on: a) Articles b) Memorandum c) Prospectus
- 4- Explain the methods of formation of Bank.
- 5- Define Commercial Bank and its functions.
- 6- Role of commercial bank in economic development.
- 7- Define Cash Reserve and discuss its factors.
- 8- What is Credit Creation? Discuss its Limitations.
- 9- Importance of Central Bank and its functions.
- 10- Define Clearing House and its advantages.
- 11- How central bank acts as a clearing house.
- 12- Monetary Policy its Objectives and Methods of Credit Control/What methods are adopted by central bank to control credit.
- 13- Discuss the quantitative methods of credit control.
- 14- Various methods of Note Issue.
- 15- Difference between Central and Commercial Bank, Scheduled and Non-Scheduled bank, Promissory note and Bills of Exchange, Cheque and Bills of Exchange.
- 16- Merits of Scheduled Bank.
- 17- Write a Note on Various kinds of Bank Accounts.
- 18- Discuss Procedure/reasons of opening a Bank Account.
- 19- Differentiate between saving account and fixed deposit account.
- 20- What do you know about foreign currency account? Discuss its features.
- 21- Merits of Opening bank account: a) For account holder b) For Bank c) For Govt.
- 22- Kinds of Cheque and its Characteristics/features.
- 23- Causes of dishonoring of Cheque/ Why bank refuses payment of cheque.
- 24- Crossing of Cheque and its types.
- 25- Write a note on Industrial development bank of Pakistan.
- 26- Define Security. Discuss qualities of Good Security.
- 27- Kinds of Bank Loan. Precautions / Principles of advancing Loan.
- 28- Kinds / Types of Customers of bank.
- 29- Define banks and explain the characteristics of good banking system.
- 30- Evaluate the role of State Bank of Pakistan in the economic development of Pakistan.
- 31- Write functions of State bank of Pakistan.
- 32- Define Cheque and its essentials.

- 33- Define foreign exchange and give its importance.**
- 34- Discuss the steps taken by government for Islamic banking.**
- 35- Write about uses and benefits of ATM.**
- 36- Explain the reasons to continue interest-based banking in Pakistan.**
- 37- Explain the different ways of foreign payment in detail.**
- 38- Describe the methods of foreign exchange control.**
- 39- Explain merits of bills of exchange.**

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