** Pakistan School, Kingdom of Bahrain**

**HSSC Pre Board Examination, June 2021**

**Class: 12th Sec\_\_\_\_\_ Total Marks: 15**

**Subject: Principles of Banking** **Time Allowed: 20 Min**

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| **3** | **5** | **2** | **8** |

**Student’s Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Version No:**

**NOTE: Section A is compulsory. All parts of this section to be answered on the separately provided OMR Sheet, which should be completed in the first 20 minutes and handed over to the Centre Superintendent. Deleting/overwriting is not allowed. Do not use lead pencil.**

**SECTION – A (Marks:15)**

1. The role of which people considered important for the evolution of bank?

 (a) Kings$ $ (b) Merchants (c) Goldsmith (d) All of these

2. Habib Bank limited is a -----------------Bank.

 (a) Schedule (b) Non-schedule (c) Unregistered (d) None of these

3. Which one of the following is not a factor of cash reserve?

 (a) Nature of accounts $ $ (b) Habits of saving (c) Trust in Bank (d) Training centers

4. the most widely used tool of central bank is\_\_\_\_\_\_.

 (a) Direct action (b) Open market operation (c) bank rate $ $ (d) credit rationing

5. Profit and loss sharing accounts was introduced I Pakistan on ------------------

 (a) January, 01, 1981 (b) June, 01 ,1981 (c) December,01 ,1981 (d) None of these

6. A cheque cannot be cashed at bank’s counter is called\_\_\_\_\_\_\_\_\_\_.

 (a) Bearer (b) Order (c) Crossed (d) Plain

7 .Postal order is a--------------------

 (a) Negotiable instrument (b) Non-negotiable (c) Non exchangeable (d) None of these

8. The cheque, which involves no restrictions and any person can withdraw money without giving his identification:

 (a) Bearer Cheque (b) Crossed cheque (c) Order cheque (d) Lost cheque

9. The primary function of commercial bank is:

 (a) Accepting deposits (b) advancing loans (c) Transacting foreign exchange (d) Advice to customers

10. Bill of exchange can be cashed from bank before maturity through:

 (a) Overdraft (b) Renewal (c) Discounting (d) through investment

11. The endorsement after which the cheque cannot be endorsed further:

 (a) Facultative (b) Restricted (c) Partial (d) Conditional

 12. A cheque, which contains a future date, is called:

 (a) Out Dated cheque (b) Post Dated cheque (c) Open cheque (d) All of these

13. Term discounting is related to:

 (a) Bill of exchange (b) Cheque (c) promissory notes (d) None of these

14. When there is no branch of state bank, clearing house function is performed by:

 (a) Habib bank (b) United bank (c) National bank (d) Allied bank

15. The word “bank” has been derived from the Italian word:

 (a) Back (b) Banque (c) Banco $ $ (d) All of these

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 **Pakistan School, Kingdom of Bahrain**

**HSSC Pre Board Examination, June 2021**

**Class: 12th Sec\_\_\_\_\_ Total Marks: 60**

**Subject: Principles of Banking** **Time Allowed 2:40 Min**

**Student’s Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**NOTE: Section B & C comprises 1-2 pages. Answer all the questions from section B-C** **on a separate sheet. Write your answers neatly and legibly.**

**SECTION – B (Marks 36)**

**NOTE: Attempt any nine questions each question carries equal marks. (9×4= 36)**

1. **Why central bank is known as Banker’s Bank?**
2. **What do you know about endorsed bill and honored bill?**
3. **Define schedule and Non-schedule bank.**
4. **Briefly explain open market operation.**
5. **What is an overdraft?**
6. **What do you know about crossed Bank draft? Write down its types also.**
7. **What are the qualitative methods of credit control of central bank?**
8. **What do you meant by pay in slip?**
9. **What does ZTBL stands for? What was the main purpose of establishment of ZTBL?**
10. **What are the other parties of cheque? Write in two lines about each party.**
11. **Write down the departments of state bank of Pakistan.**
12. **Differentiate between cash reserve ratio and liquidity ratio?**

**SECTION –C SUBJECTIVE**

**ATTEMPT ANY TWO OF THE FOLLOWING QUESTIONS: (12×2=24)**

1. **Define cheque. Write down the main parties and types of cheque in detail.**
2. **What are functions of central bank?**
3. **Differentiate between Schedule and Non-schedule bank.**