

Total Time 3 hours
Total Marks: 75

Class: XII **HIGHER SECONDARY SCHOOL CERTIFICATE EXAMINATION 2023**
Time Allowed: 20 minutes **SUBJECT : BANKING**
Q1: SECTION "A"

Marks : 15

Note: Attempt all question from this section. Each question carries one mark

1. Commercial Bank creates credit:
a) By discounting of bills b) By investment c) By advancing loans d) All of the above
2. Current account is suitable for:
a) House wife's b) Salaries persons c) Business community d) none of the above
3. Overdraft facility is only provided to:
a) Fixed deposit holders b) Current account holders c) Saving account holders d) None of above
4. State Bank of Pakistan was established in:
a) 23rd March 1948 b) 1 st July 1948 c) 14th August 1947 d) 11th September 1949
5. Scheduled banks mean a bank which is registered with:
a) Stock exchange b) Central bank c) World bank d) Chartered bank
6. Which things can be accepted by bank as security at the time of advancing loan:
a) Precious Metals b) Property c) Share & security Papers d) All the above
7. If drawer of a cheque is payee himself then what word is written after the word pay:
a) Order b) Bearer c) self d) None of the above
8. Bank pays cash money at its counters for:
a) Crossed Cheque b) out dated Cheque c) Bearer Cheque d) none of these
9. Bank pays cash money at its counters for:
a) Crossed Cheque b) out dated Cheque c) Bearer Cheque d) none of these
10. The change in demand and supply of foreign currency effects:
a) Letter of Credit b) Traveler's Cheques c) Exchange Rate d) None of these
11. Which of the following is used to deposit money into Bank account:
a) Bank statement b) Pay-in-slip c) Counterfoil of Cheque d) Certificate
12. Why does its necessary for an account holder to sign the specimen signature Card at the time Of opening Bank account:
a) To complete opening form b) To make Signature Practice c) To obtain Cheque Book
d) To match the Signatures when cheque is presented
13. State Bank of Pakistan advises the Government on the following matters:
a) Domestic matters b) Financial & Economic matters c) Political matters d) Administrative matters
14. Which instrument is mostly used in making foreign business payments?
a) Cheque b) Promissory Note c) Foreign Bill of exchange d) None of these
15. What is the objective of foreign exchange control:
a) Unfavourable Balance of payment b) Favourable Balance of Payment
c) unfavourable Balance of Trade d) Favourable Balance of Trade

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Class: XII **HIGHER SECONDARY SCHOOL CERTIFICATE EXAMINATION 2023**
Time: 2 hours 40 minutes **SUBJECT : BANKING SECTION "B" AND SECTION "C"**
Q2: SECTION "B" SHORT ANSWER QUESTIONS

Total Marks 60
30 Marks

Note: Attempt any six from this section.

- i. Define the types of bank by ownership?
- ii. Briefly discuss the process of opening a bank account?
- iii. What are the causes of adverse balance of payments?
- iv. Define bill of exchange? Discuss main features of it and explain the principle parties?
- v. What do you mean by 5c's of credit management?
- vi. List the functions of a central bank? Explain clearing house function?
- vii. List the functions of a commercial bank and define any two
- viii. Under what circumstances a cheque is dishonored?
- ix. Define letter of credit and enlist its kinds.

SECTION "C" DETAILED ANSWER QUESTIONS

30 MARKS

Note: Attempt any two of the following

3. Define Commercial bank and discuss in details its primary and secondary functions.
4. Define bills of exchange and define its types.
5. Define Central bank? What are the functions of central bank?

END OF PAPER