

**Class: XII****Time Allowed: 20 minutes****MODEL PAPER EXAMINATION 2026****SUBJECT: BANKING****(SECTION "A")****Marks: 15****Q1:****Note:** Attempt **ALL** question from this section. Each question carries **ONE** mark

1. In Pakistan, banking sector was created with the setting up of the _____ in 1947 which was shifted to Karachi from Bombay.
 A. Al-Habib Bank B. Habib Bank C. Al-Falah Bank D. Habib Metro Bank
2. _____ bank comes into existence under the statute of a legislative assembly.
 A. Private B. Nationalized C. Chartered D. Statutory
3. Cash money is available in the form of currency notes issued by the _____.
 A. Scheduled bank B. Non-scheduled bank C. Central bank D. Commercial bank
4. _____ refers to purchasing the whole issue of shares or bonds from the principal company and reselling it to the public.
 A. Marketing B. Distribution C. Underwriting D. Advertising
5. _____ make small personal loans.
 A. Consumer Finance Co. B. Sales Finance Co. C. Life Insurance Co. D. Factor Co.
6. When two parallel transverse lines are drawn across the cheque it becomes a _____ cheque.
 A. Open B. Cashier C. Cross D. Order
7. Bill of exchange can be _____ due to non-acceptance and non-payment.
 A. Dishonored B. Honored C. Transferred D. None of these
8. In accounting, a promissory note is called _____.
 A. Bill receivable/payable B. Account receivable/payable
 C. Notes receivable/payable D. none of these
9. _____ is a card that is issued to the bank's accountholders who have sufficient balance with the bank.
 A. Debit Card B. Credit Card C. Key Card D. ATM Card
10. Letter of credit is issued by a/an _____.
 A. Importer B. Exporter C. Bank D. None of these
11. Clean advances are referred to as _____ loans.
 A. Secured B. Unsecured C. Protected D. Safe
12. In _____ method, the government leaves its currency in the open market where it finds its genuine place.
 A. Free Float B. Dirty Float C. Fixed Rate D. Restricted Float
13. Continuous negative balance of payment results in _____.
 A. High confidence level of foreign investors B. Development of the economy
 C. Devaluation D. None of these
14. World Bank is also known as _____.
 A. International Bank for the Reconstruction and Development B. International Monetary Fund
 C. Agricultural Development Bank D. None of these
15. The IMF began operations in the year _____.
 A. 1946 B. 1947 C. 1964 D. 1974

END OF SECTION A



Class: XII

Time: 2 hours 40 minutes

MODEL PAPER EXAMINATION 2026

SUBJECT: BANKING (SECTION "B" AND SECTION "C")
SECTION "B" (SHORT ANSWER QUESTIONS)Total Marks 60
30 Marks**Q2:****Note:** Attempt any **SIX** from this section. Each question carries **FIVE** marks

- i. Differentiate between schedule and non-schedule bank.
- ii. Describe the types of bank accounts.
- iii. Explain briefly, what are factor companies.
- iv. Describe 3 reasons why a cheque is dishonored by a Bank.
- v. Define Bill of exchange. What are the essentials of a bill?
- vi. Discuss in brief, the principle of liquidity in employing bank fund.
- vii. Why does the central bank control credit? Give reasons.
- viii. Distinguish between balance of trade and balance of payment.
- ix. Write a brief note on the background of Agricultural Development Bank of Pakistan (ADBP).

SECTION "C" (DETAILED ANSWER QUESTIONS)**30 Marks****Q3:****Note:** Attempt any **TWO** of the following. Each question carries **FIFTEEN** marks

1. Define Bank Accounts. Discuss the steps to open a Bank Account with a Bank.
2. What is letter of Credit? Discuss the kinds of letter of credit in detail.
3. Write a short note on International Monetary Fund (IMF).

END OF PAPER