


 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 (ADB).

**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**