MONEY AND BANKING

Q1) Central Bank is an

(a) Regional bank (b) Apex bank

(c)Commercial bank (d )Rural bank

Q2) Money is a medium of

(a) Barter (b)Speculation (c)Communication (d)Exchange

Q3) The functions of money is that it is a

(a)Store of stocks (b)Store of currency

(c)None of the above (d)Store of value

Q4) Money overcomes the problems of barter system.

(a)Yes (b)Can’t say (c)Sometimes (d)No

Q5) One of the measures of money supply is

(a)N1 (b)P1 (c)M1 (d)O1

Q6) The process of money creation or credit creation is done by

(a)Rural bank (b)Central bank

(c)commercial banks (d)World bank

Q7) Money is something that is

(a)Accepted by banks b)Locally accepted

(c)Regionally accepted (d)Universally accepted

Q8) Barter system is

(a)Exchange of foreign exchange (b)Exchange of money

(c)Exchange of trade (d)Exchange of good

Q9) One drawback of barter exchange is

(a)Lack of double coincidence of wants\ (b)Lack of coincidence of wants

(c)Lack of trust (d)Lack of goods

Q10 )What do you mean by credit creation by commercial banks?

(a)It is the process of creation of foreign exchange

(b)It is the process of loan creation

(c)It is the process of total withdrawal creation

(d)It is the process of total deposit creation

Q11. Who sign in one rupee note in India?

(a) RBI Governor b) Government

(c) Finance Secretary (d) None of Above

Q12. Commercial Bank are those banks which are?

(a) gives Loan to people (b) accepting money from public

(c) Credit Creation (d) All of Above

Q13. What is the formula of Credit Creation?

(a) 1/CRR (Initial Deposit) (b) 1+CRR (Initial Deposit)

(c) 1-CRR (Initial Deposit) (d) None of Above

Q14. Who can issue one rupee note in India?

(a) RBI Governor (b) Government

(c) Finance Secretary (d) Finance Ministry

Q15. Credit Control by?

(a) RBI Bank (b) Commercial Bank

(c) Government (d) Finance Ministry