



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answerkey 50

Sub: Economics

Class: XII

Chapter 16: Banking System

F.M.: 15

Topic: Central and Commercial Bnk

Date: 13/11/2020

Multiple choice questions

1x15 = 15

1. _____ is an institution that accepts deposit from public.

- a. Bank,
- b. Office,
- c. Money lender,
- d. Money market.

Ans: a. Bank.

2. Credit creation process is done by _____ bank.

- a. Central,
- b. Commercial,
- c. Development,
- d. Agricultural.

Ans: b. Commercial.

3. Moral suasion is _____ method of credit control.

- a. Direct,
- b. Quantitative,
- c. Qualitative,
- d. Indirect.

Ans: c. Qualitative.

4. Credit control can be done by _____ bank.

- a. Commercial,
- b. Developmental,
- c. Industrial,
- d. Central.

Ans: d. Central.

5. _____ rate is the lending rate of central bank.

- a. Bank,
- b. Interest,
- c. Exchange,
- d. REPO.

Ans: a. Bank.

6. Reserve Bank of India is the _____ bank of India.

- a. Commercial,
- b. Central,
- c. Industrial,
- d. Developmental.

Ans: b. Central.

7. Central bank is also known as _____ house.

- a. Credit,
- b. White,
- c. Clearing,
- d. Debit.

Ans: c. Clearing.

8. During upswing of trade cycle, bank rate is _____.

- a. Constant,
- b. Highest,
- c. Lowest,
- d. Increased.

Ans: d. Increased.

9. Commercial bank has to keep a fixed proportion of their deposit with the central bank which is known as _____.

- a. Variable reserve ratio,
- b. Credit reserve ratio,
- c. Debit reserve ratio,
- d. Fixed reserve ratio.

Ans: a. Variable reserve ratio.

10. Commercial bank provides _____ facility to their customers.

- a. One,
- b. Locker,
- c. Home,
- d. Business.

Ans; b. Locker.

11. Central bank has monopoly to _____.

- a. Credit creation,
- b. Service provider,
- c. Issuing notes,
- d. Publish data.

Ans: c. Issuing notes.

12. _____ bank is the banker of government.

- a. Industrial,

- b. Agricultural,
- c. Commercial,
- d. Central.

Ans: d. Central.

13. Accepting deposits from the public is the main function of _____ bank.

- a. Commercial,
- b. Central,
- c. Cooperative,
- d. Developmental.

Ans: a. Commercial.

14. In case of primary deposit the transaction is called _____ transaction.

- a. Active,
- b. Passive,
- c. Unit,
- d. Ultra.

Ans: b. Passive.

15. _____ bank is known as lender of last resort.

- a. Commercial,
- b. Developmental,
- c. Central,
- d. Industrial.

Ans: c. Central.

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