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शक्ति उत्थान आश्रम लखीसराय बिहार

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Money and Banking (Q.A)

Question 1.

What is the defect of the barter system?

- (A) Lack of double coincidence of wants
- (B) Difficulty in the measurement of value
- (C) Difficulty in store of value
- (D) All of these

Answer

Answer: (D) All of these

Question 2.

Which of the following is the credit money?

- (A) Cheque and draft
- (B) Promissory note
- (C) Exchange note
- (D) All of these

Answer

Answer: (D) All of these

Question 3.

Which among the following is the near money?

- (A) Bonds
- (B) Insurance policy
- (C) Securities
- (D) All of these

Answer

Answer: (D) All of these

Question 4.

Which of the following is the feature of money?

- (A) General acceptability
- (B) Homogeneous unit
- (C) Liquid asset
- (D) All of these

[Answer](#)

Answer: (D) All of these

Question 5.

In order to encourage investment in the economy, the Central Bank may _____

- (A) Reduce Cash Reserve Ratio
- (B) Increase Cash Reserve Ratio
- (C) Sell Government securities in the open market
- (D) Increase Bank Rate

[Answer](#)

Answer: (A) Reduce Cash Reserve Ratio

Question 6.

Institution that accepts deposits for lending purpose is known as _____

- (A) Commercial Bank
- (B) Central Bank
- (C) Government
- (D) Public

[Answer](#)

Answer: (A) Commercial Bank

Question 7.

Which of the following is the function of a commercial bank?

- (A) Accepting deposits
- (B) Credit creation
- (C) Agency function
- (D) All of these

[Answer](#)

Answer: (D) All of these

Question 8.

The central bank can increase the availability of credit by:

- (A) Rasing repo rate
- (B) Raising reverse repo rate
- (C) Buying government securities
- (D) Selling government securities

[Answer](#)

Answer: (D) Selling government securities

Question 9.

Giving permission to withdraw money by an amount more than deposited to is known as _____

- (A) Advance
- (B) Overdraft
- (C) Loan
- (D) None of these

[Answer](#)

Answer: (B) Overdraft

Question 10.

What are the alternative measures of money supply in India?

- (A) M1
- (B) M2
- (C) M3 and M4
- (D) All of these

[Answer](#)

Answer: (D) All of these

Question 11.

Who circulates all mint and one rupee notes in India?

- (A) Ministry of Finance
- (B) RBI
- (C) Ministry of External Affairs
- (D) State Government

[Answer](#)

Answer: (A) Ministry of Finance

Question 12.

Which of the following is the narrow measure of the money supply?

- (A) M2
- (B) M3
- (C) M1
- (D) M4

[Answer](#)

Answer: (C) M1

Question 13.

When was the minimum reserve system started in India?

- (A) 1947
- (B) 1948
- (C) 1951
- (D) 1957

[Answer](#)

Answer: (D) 1957

Question 14.

Which is the most liquid measure of the money supply?

- (A) M4
- (B) M3
- (C) M2
- (D) M1

[Answer](#)

Answer: (D) M1

Question 15.

High Powered Money includes:

- (A) $C + DD + OD$
- (B) $C + R + OD$
- (C) $C + R + TD$
- (D) $C + DD + TD$

[Answer](#)

Answer: (B) $C + R + OD$