

VIDYA BHAWAN BALIKA VIDYA PITH

शक्तिउत्थानआश्रमलखीसरायबिहार

Class 12 commerce Sub. ECO/B Date 30.12.2020

Teacher name – Ajay Kumar Sharma

Money and Banking

Q1. Central Bank is an

- a) Apex bank
- b) Rural bank
- c) Regional bank
- d) Commercial bank

Ans. (a)

Q2. Money is a medium of

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

Ans. (c)

Q3. The functions of money is that it is a

- a) Store of currency
- b) Store of stocks
- c) Store of a value
- d) None of the above

Ans. (c)

Q4. Money overcomes the problems of barter system.

- a) Can't say
- b) Seldom
- c) 0
- d) 1

Ans. (d)

Q5. One of the measures of money supply is

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

Ans. (c)

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

- a) Rural bank
- b) World bank
- c) Central bank
- d) Commercial bank

Ans. (d)

Q7. Money is something that is

- a) Universally accepted
- b) Locally accepted
- c) Accepted by banks
- d) Regionally accepted

Ans. (a)

Q8. One drawback of barter exchange is

- a) Lack of trust
- b) Lack of coincidence of wants
- c) Lack of double coincidence of wants
- d) Lack of goods

Ans. (c)

Q9. What do you mean by credit creation by commercial banks?

- a) It is the process of loan creation
- b) It is the process of creation of foreign exchange
- c) It is the process of total withdrawal creation
- d) It is the process of total deposit creation

Ans. (d)

Q10. Bank rate is for

- a) Commercial banks by the government
- b) Commercial banks by the central bank
- c) Central banks by the central bank
- d) Central bank by the commercial banks

Ans. (b)

Q11. Lending rate is for

- a) Public by the commercial banks
- b) Central bank by the commercial banks
- c) Central banks by the central bank
- d) Commercial banks by the government

Ans. (a)

Q12. Open market operations is

- a) Buying and selling of currency by the central bank
- b) Buying and selling of securities by the central banks
- c) Buying and selling of securities by the commercial banks
- d) Buying and selling of foreign exchange by the central bank

Ans. (b)