Quaid-i-Azam University, Islamabad.
Money, Banking and Finance (BC-107)
B.Com. Part-I

Section A

Maximum marks: 32
Time allowed: 40 minutes

Q-1 Encircle the appropriate one. (12x1=12)

i) The word bank” has been derived from the German word.
   A) Back B) Bancus
   C) Banco D) None of the above

ii) The amount of capital received by bank after issuing shares is called:
    A) Reserve capital B) Paid up capital
    C) Authorized capital D) Issued capital

iii) ATM is used to withdraw money from the:
     A) Branch of bank in which we have the account
     B) Any branch of concerned bank
     C) Other banks
     D) All the above

iv) Risk Bank of Sweden became central bank in:
    A) 1568 B) 1668
    C) 1768 D) None of the above

v) What percentage of total assets a scheduled bank is bound to keep within the country:
   A) 60% B) 70%
   C) 80% D) 90%

vi) Which of the following takes responsibility to manage the property of another:
    A) Trustee B) Bailee
    C) Mortgagee D) all the above

vii) The main sources of bank’s fund are:
     A) Own capital B) Deposits
     C) Loan from other banks D) All the above

viii) Popular types of loan issued by the bank according to term are:
      A) Two B) three
      C) four D) five

ix) Cheque is a credit instrument which is:
    A) Negotiable B) Conditionally
    C) Non negotiable D) Non of the above

x) A bill which can be re discounted from central bank:
    A) Sight bill B) Time bill
    C) Both (a) & (b) D) None of the above

xi) Which of the following parties of a letter of credit is called beneficiary:
    A) Importer B) Exporter
    C) Opening bank D) Advising bank

xii) If the demand of any country’s currency in term of other country’s currency is called:
     A) Favourable B) Unfavourable
     C) Both (a) & (b) D) None of the above
Q-2 Give the short answer to the followings. Your answer should not exceed three to four lines. (2x10=20)

i) Define full bodied money.

ii) Define index number

iii) What is meant by devaluation?

iv) Differentiate between spot and official rate

v) Differentiate between bank draft and over draft

vi) Difference between mortgage and consortium bank

vii) What is the meaning of “Economic Development”?

viii) Define the term “acceptance of bill of exchange”.
ix) Define the term bailer and bailee.

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x) Define the term ‘franchising’.

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Section B
Time allowed: 2: 20 Hrs                         Maximum marks:  68

Note: Attempt any four questions. All questions carry equal marks.

Q-3    Critically examine the Quantity Theory of Money given by Fisher.

Q-4    Define Credit Instrument. What is the difference between bill of exchange, promissory note and cheque?

Q-5    Discuss the principle and method of note issue. Which method is followed in Pakistan? Give the detail?

Q-6    What are the causes of Nationalization of Banks in Pakistan? What are the advantages and dis-advantages.

Q-7    Define letter of credit. What is the procedure to open letter of credit?

Q-8    What are the modes of Islamic Banking Finance? Discuss in detail.

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