**BNK 601 Midterm Solved papers**

**All of the following are types of financial market, EXCEPT:**

Foreign exchange markets

Stock markets

Bond markets

**Future markets                      15**

**Because of the diversified portfolio, banks can provide ------- services to its customers.**

* **Risk sharing               16**
* Liquidity
* Information

All of the above

**Which of the following refers to as “a promise that the bank will pay the amount of funds indicated to the recipient”?**

 Bills of Exchange

**Bankers' Acceptances                                   19**

Repurchase Agreements

Eurodollars

**Which of the following is NOT among the** **instruments of money market?**

Bills of exchange

Repurchase agreements

**Stocks                         20**

Federal funds

**Which of the following is NOT among the instruments of capital market?**

**Federal funds**                        23

WAPDA bonds

Debentures

Stocks

**Parties of letter of cfredit**

**All of the following are demerits of Nationalization of banks, EXCEPT:**

Excessive government control leading to the decisions on non professional considerations

 **Equitable distribution of credit to the different sectors, industries and regions                        33**

Neglect of personalized services to the customers

Mismanagement leading to alarming size of non-performing loans portfolio

**Which of the following refers to “a business in which a person participates with his money and another with his efforts or skill or both his efforts and skill and shall include unit, trust and mutual fund by whatever name called”?**

 Musharika

**Modaraba                  49**

Istisna

Ijara

f any default is made by a banking company in complying with the policy determined under sub-section (1) or direction given under sub section (2), every director and other officer of the banking company and every other person who is knowingly a party to **such default shall, by order of the State Bank, be liable to a penalty of an amount which may extend to twenty thousand rupees and**, where the default is a continuing one, of a further amount which may extend to one thousand rupees for every day after the first during which the default continues

**According to the section 30 of Banking Companies Ordinance, 1962, at the close of business on any day, the assets in Pakistan of every banking company shall not be less in value than such percentage of its time and demand liabilities in Pakistan as may be prescribed by the State Bank from time to time provided that the percentage so prescribed shall not exceed:**

 65% of time and demand liabilities

75% of time and demand liabilities

**85% of time and demand liabilities                         69**

95% of time and demand liabilities

**According to Section 4 of State Bank of** **Pakistan** **Act, 1956, which of the following should be the original Capital of the Bank?**

Rs. 20 Millions

**Rs. 30 Millions                                   87**

Rs. 40 Millions

Rs. 50 Millions

**Which of the following should be the capital of bank under Section 6 of SBP Banking Services Corporation Ordinance, 2001?**

 **One Billion or any amount determined by SBP                            95   (1,000,000,000)**

Two Billion or any amount determined by SBP

Three Billion or any amount determined by SBP

Four Billion or any amount determined by SBP

**Authorized capital Rs. 1,000,000,000/-         Nos. of shares  1,000,000/-     share price Rs. 1,000/-**

**Which of the following represent individuals or companies?**

Public Agents

**Private Agents                       139**

General Agents

 Special Agents

**Q         What are the types of Mortgage?**

In practice there are two types of Mortgages which are given below:

1. **1.** **Registered or Legal Mortgage**

This is created through a formal document called mortgage deed.

Mortgage deed is registered with the Registrar of titles.

It is comparatively expensive as it involves stamp duty and registration fee.

1. **2.** **Equitable Mortgage**

This is created by deposit of title deed by the mortgagor.

Memorandum regarding deposit of title deed is also signed by respective parties.

 Clear title of the mortgagor must be ascertained by the mortgagee

Q     Preference shares

Q  **minimum paid-up capital and reserves** requirements are contained in **section 13** of the Ordinance 1962.

Q   Rights of customer  in abnk?