

ACCOUNTMICS
Prepared by Sir Irfan Jan
M.Phil. (Economics)

I. Com (2) MODERN BANKING
COMPLETE NOTES (2024-25)

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2ND YEAR COMMERCE (Session 2024-2025)

MODERN BANKING

CHAPTERWISE COMPLETE NOTES

By SIR IRFAN

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Sir Irfan Jan
(M.Phil in Economics)

MODERN BANKING

WORLD SECTION COMPLETE NOTES FOR THE SESSION 2024-2025

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IMPORTANT INSTRUCTIONS:

Sir Irfan prepares these notes according to the exam, which will held in May 2025. So dear students if you follow these notes so you need start to learn from "IMPORTANT QUESTIONS" then go for "ADDITIONAL QUESTIONS"

(MODERN BANKING)

CHAPTERWISE QUESTIONS

(Session 2024-25)

CHAPTER#1:

KINDS OF BANKS AND TYPES OF BANK ACCOUNTS

1(A) KINDS OF BANKS

IMPORTANT QUESTIONS (SHORT)

Q#1: Definition of a bank.

Q#2: Enlist the kinds of banks on the Basis of Functions and Ownership.

Q#3: Describe Central Banks, Commercial Banks Saving Banks, statutory Banks, private banks, and Agriculture banks.

ADDITIONAL QUESTION (LONG)

Q#1: Describe various kinds of banks.

1(B) TYPES OF BANK ACCOUNTS

IMPORTANT QUESTIONS (SHORT)

Q#1: Definition of a bank account.

Q#2: Enlist the different types of Bank accounts. Describe the Current account & Fixed deposit account.

Q#3: List the steps involved in the opening of a Bank account.

Q#4: Under what circumstances can a bank account be closed?



ADDITIONAL QUESTIONS (SHORT)

Q#1: For Businessmen and salaried persons, which account is better and why?

Q#2: Explain the importance of public savings in current era?

ADDITIONAL QUESTIONS (LONG)

Q#1: What are the different types of Bank accounts? Explain.

CHAPTER#2:

COMMERCIAL BANKS

IMPORTANT QUESTIONS (SHORT)

Q#1: Definition of a commercial bank?

Q#2: What are the different types of commercial bank?

Q#3: What are the differences between scheduled banks and non-scheduled banks?

Q#4: How do Commercial banks create Credit? Explain

Q#5: List any five factors of the amount of Cash (Till Cash) requirement of a Commercial bank.

IMPORTANT QUESTIONS (LONG)

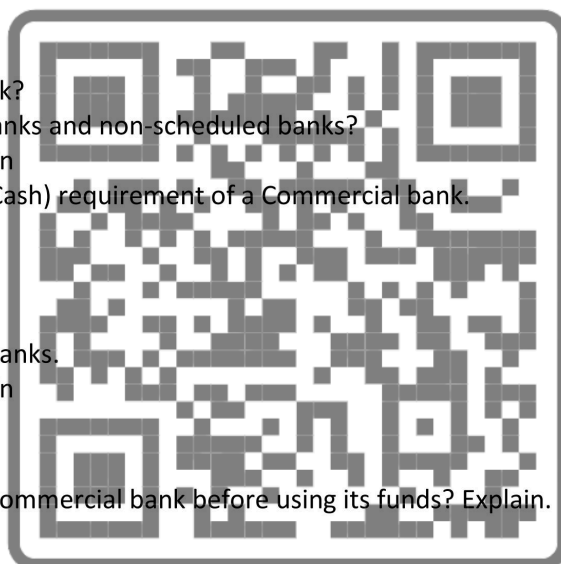
Q#1: What are the functions of Commercial banks?

Q#2: Describe the Primary functions of Commercial banks.

Q#3: How do Commercial banks create Credit? Explain

ADDITIONAL QUESTION (LONG)

Q#1: What basic principles should be observed by a commercial bank before using its funds? Explain.



CHAPTER#3:

CENTRAL BANK

IMPORTANT QUESTIONS (SHORT)

Q#1: Definition of the central bank?

Q#2: What are the differences between commercial banks and central banks?

Q#3: List the various functions performed by Central Bank.

Q#4: Describe the function of the Lender of last resort performed by the Central Bank.

Q#5: Explain the Clearinghouse as a function of the Central bank.

Q#6: List the Qualitative credit control methods. Describe the Bank rate policy

Q#7: Describe any two quantitative methods of Credit control.

Q#8: Describe the Central Bank's functions in the issuance of currency notes.



IMPORTANT QUESTIONS (LONG)

Q#1: What are the functions of the central bank? Describe in detail.

OR

What are the functions of the State Bank of Pakistan?

Q#2: Define Credit Control. Describe its various methods

CHAPTER#4:

CREDIT INSTRUMENTS

4(A) CHEQUE

IMPORTANT QUESTIONS (SHORT)

Q#1: Define credit instruments.

Q#2: Define Cheque. Write the essentials of Cheque.

Q#3: Describe the parties to a cheque.

Q#4: Enlist the kinds of cheques.

Q#5: Explain the cross-cheque.

Q#6: Explain General Crossing.

Q#7: Describe a special crossing.

Q#8: State any five conditions under which a bank can dishonour a cheque.

IMPORTANT QUESTIONS (LONG)

Q#1: Describe the various causes of Dishonouring a cheque by the Bank.

ADDITIONAL QUESTIONS (SHORT)

Q#1: When is a credit instrument called a Cheque?

Q#2: Distinguish between a 'Stale cheque' & 'Post-Dated cheque'

Q#3: What are the different types of credit instruments?

ADDITIONAL QUESTIONS (LONG)

Q#1: Describe different types of cheques.

Q#2: Describe different types of the crossing of cheques by a bank.

4(B) ENDORSEMENT

IMPORTANT QUESTIONS (SHORT)

Q#1: Define Endorsement. Describe its kinds

Q#2: Describe General and Special endorsement

Q#3: Describe the Conditional or Qualified Endorsement.



4(C) BILL OF EXCHANGE

IMPORTANT QUESTIONS (SHORT)

- Q#1: Define the Bill of Exchange. Describe different kinds of bills of exchange
Q#2: Give five distinctions between a Cheque and a Bill of Exchange
Q#3: Distinguish between the Promissory Note and a Cheque
Q#4: Differentiate between Bill of Exchange & Promissory Note

IMPORTANT QUESTION (LONG)

- Q#1: Define the Bill of Exchange. Describe different kinds of bills of exchange.

ADDITIONAL QUESTIONS (SHORT)

- Q#1: Define the Bill of Exchange and mention the parties to it.
Q#2: Describe any five essentials of the Bill of exchange.

CHAPTER#5:

LETTER OF CREDIT

IMPORTANT QUESTIONS (SHORT)

- Q#1: Define Letter of credit. Enlist its various kinds.
Q#2: Explain the Irrevocable letter of Credit.

CHAPTER#6:

BANK ADVANCES AND FUNDS

IMPORTANT QUESTIONS (SHORT)

- Q#1: Enlist the principles of employing Bank funds. Describe the principle of Profitability.
Q#2: List of profitable and non-profitable uses of Bank funds.
Q#3: Define Secured and Unsecured loans.
Q#4: Define Lien and Hypothecation.
Q#5: Define short term finance. Describe various sources of short term finance.
Q#6: Define long term finance. Describe various sources of long term finance.
Q#7: What is meant by Mortgage?



IMPORTANT QUESTIONS (LONG)

Q#1: Define Bank Funds. Write their profitable and non-profitable uses?

Q#2: Define Bank Funds and explain in detail the principles of employing bank funds.

OR

Give an account of the principles of employing bank funds.

OR

How are bank funds employed? Explain.

OR

What basic principles should be observed by a commercial bank before using its funds? Explain.

CHAPTER#7:

FOREIGN EXCHANGE & RATE OF EXCHANGE

IMPORTANT QUESTIONS (SHORT)

Q#1: Describe Foreign exchange and Rate of exchange.

Q#2: Name the factors which affect the rate of exchange.

Q#3: Define the Balance of Trade and Balance of Payments.

Q#4: Differentiate between the balance of trade and the balance of payment.

Q#5: What are the modes of foreign remittances? Describe any two.

Q#6: Mention the measures for correcting the balance of payments and explain them to anyone.

OR

How is an unfavourable balance of payment converted into a favourable balance of payment? Describe.

Q#7: Explain purchasing power parity theory.

IMPORTANT QUESTION (LONG)

Q#1: Define the Rate of exchange. Describe the factors affecting the rate of exchange.

CHAPTER#8:

E-BANKING

IMPORTANT QUESTIONS (SHORT)

Q#1: Define Online Banking. Write its importance.

OR

Write about E-banking and any three of its advantages.

OR

Describe any two services of E-banking.



Q#2: Describe the methods/tools used in e-Banking.

Q#3: Differentiate between Credit Cards and Debit cards.

IMPORTANT NOTE:

- Paid complete answers available of this notes
- If any student desire to get answers of these notes contact sir Irfan via
WhatsApp number is 0347-3643211

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