1. The minimum charge at which the Central Bank lend to commercial banks is called?

**A.** discount rate

**B.** bank rate

**C.** market rate

**D.** interest rate

2. Which of the following types of cheque protects the holder against the risk of loss?

**A.** Open cheque

**B.** Bearer cheque

**C.** Postdated cheque

**D.** Crossed cheque

3. The production of good in anticipation of demand is possible because of the existence of?

**A.** packaging

**B.** advertising

**C.** warehousing

**D.** branding

4. Which of the following is not a financial institution?

**A.** Commodity Board

**B.** Insurance company

**C.** Clearing house

**D.** stock exchange

5. Which of the following central bank functions inspires confidence in the banking system in case of emergency?

**A.** issuing of currency

**B.** lender of last resort

**C.** baker's bank

**D.** banker to the government

6. The fee which the bank charges for services rendered to their current account customers is?

**A.** commission on turnover

**B.** bank rate

**C.** minimum lending rate

**D.** interest

7. The place where dutiable goods are kept until the duties on them are paid is

**A.** customs warehouse

**B.** public warehouse

**C.** bonded warehouse

**D.** the wharf

8. The beneficiary of a cheque is called

**A.** acceptor

**B.** drawee

**C.** drawer

**D.** payee

9. Commercial banks usually settle their interbank indebtedness through the

**A.** money market

**B.** clearing house

**C.** discount house

**D.** stock exchange

10. Which of the following is not a reason for dishonoring a cheque?

**A.** insufficient funds in drawer's account

**B.** when the cheque is stale

**C.** Amount in figure differs with amount in words

**D.** Poor handwriting

11. Which of the following is not a function of the Central Bank?

**A.** Banker to the government

**B.** Banker's bank

**C.** issuance of currency notes

**D.** Granting loans to the public

12. Which of the following is legal tender?

**A.** Bank notes

**B.** Bank drafts

**C.** Central bank cheque

**D.** Traveler’s cheque

13. An open cheque is one

**A.** on which the amount is written only in figures

**B.** which has no name

**C.** which can be cashed over the counter

**D.** which has no specific amount written on it

15. Information requested from a bank concerning the credit worthiness of a new customer to a business is

**A.** private enquiry

**B.** status enquiry

**C.** general enquiry

**D.** letter of enquiry

16. If a customer opens a deposit account with a bank, he will

**A.** receive a crossed cheque book

**B.** be given a tally

**C.** be given a loan

**D.** receive interest

17. A stale cheque is one on which the date for payment is

**A.** overdue

**B.** yet to come

**C.** missing

**D.** due

18. When an order cheque is endorsed, it becomes a

**A.** confirmed cheque

**B.** bearer cheque

**C.** dishonored cheque

**D.** cleared cheque

19. The authority given to a bank to make regular payments on behalf of a customer is

**A.** credit transfer

**B.** bank endorsement

**C.** standing order

**D.** bank overdraft

20. The letters R/D on a cheque shows that the cheque is

**A.** paid

**B.** dishonored

**C.** certified

**D.** accepted

21. Which of the following is used for a single payment of many people at the same time through a bank instead of writing separate cheques?

**A.** Debit transfer

**B.** Credit transfer

**C.** Certified cheque

**D.** Crossed cheque

22. A mortgage bank is primarily concerned with financing the acquisition of

**A.** motor vehicle

**B.** research equipment

**C.** computer machine

**D.** dwelling houses

23. An overdraft is

**A.** amount permitted to be withdrawn in excess of one's deposit

**B.** excessive cash withdrawn by commercial banks from the Central Bank

**C.** credit balance standing in the name of a customer

**D.** special deposits made by commercial bank

24. A cheque dated 15th March 2012, will become stale on

**A.** 16th June 2012

**B.** 16th July 2012

**C.** 16th August 2012

**D.** 16th September 2012

25. A cheque drawn by a bank on itself is a/an

**A.** direct debit

**B.** bank draft

**C.** bank transfer

**D.** overdraft

26. The Central Bank's monetary policy instrument by which it buys and sells treasury bills is known as

**A.** Open Market Operation

**B.** Bank rate

**C.** Cash reserve ratio

**D.** Special deposit

27. A written instruction by a current account holder to his bank to debit his account at regular intervals with a specified amount for a given period is known as

**A.** standing order

**B.** money order

**C.** bank draft

**D.** overdraft

28. The assets of a business that is available for cash or near cash is called

**A.** equity

**B.** capital employed

**C.** received capital

**D.** liquid capital

29. The bank on which a cheque is drawn is known as the

**A.** drawer

**B.** drawee

**C.** cashier

**D.** payee

30. The buyer in a hire purchase contract becomes the legal owner of the goods by paying

**A.** initial deposit

**B.** the last installment

**C.** half of the purchase price

**D.** two-third of the purchase price

31. Which of the following will be suitable for hire purchase sale?

**A.** Shares

**B.** Refrigerator

**C.** Shoes

**D.** Textile

32. The difference between current assets and current liabilities is

**A.** Issued capital

**B.** capital employed

**C.** working capital

**D.** nominal capital

33. A Ltd. Company has an authorized capital of 2,000,000 shares of D5 each. If the company issued 1,200,000 shares, its issued capital is

**A.** D 10,0000,000

**B.** D6,000,000

**C.** D4,000,000

**D.** D2,000,000

34. The money issued by Ola Maro and Co Ltd. in running the day-to-day activities of the business is represented by

**A.** fixed capital

**B.** capital employed

**C.** paid-up capital

**D.** working capital

35. Which of the following is not a function of warehousing?

**A.** Creating security of goods

**B.** Stabilization of price

**C.** Production ahead of demand

**D.** Storage of goods

36. The central bank sometimes calls for special deposits from the commercial banks in order to

**A.** reduce bank lending

**B.** increase bank lending

**C.** withdraw defaced currencies

**D.** issue notes and coins

37. A fixed deposit account is beneficial to its holders because

**A.** cheques can be issued to settle huge debts

**B.** customers can become shareholders of the bank

**C.** it attracts higher interest rate

**D.** it allows customers overdraw their accounts

38. The part of authorized capital of a company sold to shareholders is

**A.** paid-up capital

**B.** called-up capital

**C.** issued capital

**D.** nominal capital

39. Which of the following aids to trade facilitates production ahead of demand?

**A.** insurance

**B.** transport

**C.** advertising

**D.** warehousing

40. Which of the following means of payment makes the bank both the drawer and drawee?

**A.** standing order

**B.** bill of exchange

**C.** bank draft

**D.** open cheque

Use the following information to answer the question

Bamidele co. ltd has authorized capital of 40,000,000, ordinary shares of N4 each. shares issues and fully paid are 25,000,000

41. The value of Bamidele authorized share capital is?

**A.** N160,000,000

**B.** N100,000,000

**C.** N65,000,000

**D.** N40,000,000

42. The capital used in the day to day running of a business is?

**A.** nominal capital

**B.** working capital

**C.** paid up capital

**D.** authorized capital

43. Which of the following is classified under current assets?

**A.** machinery

**B.** motor vehicle

**C.** stock

**D.** fittings

44. A cheque made payable to a named person is?

**A.** a crossed cheque

**B.** a certified cheque

**C.** an order cheque

**D.** a confirmed cheque

45. The document issued by a warehouse keeper for goods taken into the store is?

**A.** mate receipt

**B.** bill of sight

**C.** ship manifest

**D.** dock warrant

46. In a hire purchase agreement, the buyer is the

**A.** agent

**B.** hirer

**C.** lessee

**D.** lessor

47. The central bank carries out its monetary policy through?

**A.** discounting bills

**B.** credit ceiling

**C.** replacement of worn-out notes

**D.** bank rates

48. The portion of share capital which the company has asked shareholder to pay is?

**A.** called-up capital

**B.** authorized capital

**C.** paid-up capital

**D.** unpaid capital

49. Which of the following is a legal tender?

**A.** Cheque

**B.** Travelers cheque

**C.** Bank note

**D.** Goldsmith receipt

50. The charges imposed by the government on locally manufactured goods is called

**A.** customs duties

**B.** excise duties

**C.** tariffs

**D.** quota

**PART II**: Answer all

1. Mention and explain 5 ways by which CBN regulates commercial banks b. Explain any 5 factors which a bank manager would consider in evaluating an application for a loan (WAEC 2005)

2. What is capital b. Explain 5 types of capital (WAEC 1995)

3. List and explain 5 types of warehouses. B. Outline 5 factors to be considered when siting a warehouse

4. Differentiate between hire purchase and credit sale b. Give 4 advantages of hire purchase to each: the buyer; the seller (WAEC 2001)