

BOARD OF INTERMEDIATE EDUCATION, KARACHI
INTERMEDIATE EXAMINATION
MODEL PAPER 2026

PRINCIPLES OF COMMERCE PAPER - II

Max. Marks: 60

Time: 2 hours 40 minutes

(BANKING)
(Commerce Group – Regular & Private)
SECTION ‘B’
(SHORT-ANSWER QUESTIONS)

(Marks : 30)

NOTE: Answer any **Six** part questions from this Section. All parts questions carry equal marks.

2. i) Give two experts’ Definitions of Bank.
- ii) Describe briefly three major players in evolution of Banking in middle Ages.
- iii) which account would you like to open if you are a Business person? Give Reason.
- iv) State the negotiable instruments and non-negotiable instruments with the help of examples.
- v) Outline the methods used by Central Bank issue of Paper Currency.
- vi) State the situations in which a cheque may be dishonored by the Bank Any 10
- vii) Define Bank Draft. Prepare specimen of a cross cheque.
- viii) Define Bank Funds and state the principles of Safety and Liquidity.
- ix) Differentiate between Balance of Trade and Balance of Payment

SECTION ‘C’
(DETAILED-ANSWER QUESTIONS)

(Marks : 30)

NOTE: Answer any **Two** questions from this Section. All questions carry equal marks.

3. Define Commercial Bank. Explain its function.

OR

Define Central Bank. Explain its functions.

4. Define Exchange Control. Describe its aims and devices.
5. Define Foreign Exchange. What are the factors effecting the rate of exchange.

OR

Write a detailed note on any one of the following:

* International Monetary Fund (IMF) * Mortgage * Lien.

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BOARD OF INTERMEDIATE EDUCATION, KARACHI

INTERMEDIATE EXAMINATION

MODEL PAPER 2026

PRINCIPLES OF COMMERCE PAPER - II

Max. Marks: 15

(BANKING)

Time: 20 minutes

(Commerce Group – Regular & Private)

SECTION ‘A’

(MULTIPLE CHOICE QUESTIONS – M.C.Qs.)

(Marks : 15)

NOTE:

- i) This section consists of 15 part questions and all are to be answered. Each part question carries 1 mark.
ii) Do not copy the part questions in your answerbook. Write only the answer in full against the proper number of the question and its part.

1. Choose the correct answer for each from the given options:

- i) This cannot be defined as a bank by ownership:
* Saving Banks * Public Bank * Private Bank * Statutory Bank
- ii) State Bank of Pakistan is a:
* Chartered Bank * Statutory Bank
* Cooperative Bank * Public Bank
- iii) In Online banking, a cheque of a bank can be presented at:
* any branch of same bank * any bank
* special-branches of any bank * special bank
- iv) Why commercial banks keep with themselves a certain amount of money as reserve:
* meeting the requirements of shareholders * meeting the requirements of central bank
* expanding the banking business * to meet public demand
- v) The crossing of cross cheque can be cancelled by the:
* Drawee * Payee * Drawer * Government
- vi) Central bank rediscounts bill of commercial banks at:
* Commission * Profit Rate * Bank Rate * Exchange Rate
- vii) This is used as a measure of monetary policy / credit control:
* Bank Rate * Market Rate * Wages Rate * Tariff Rate
- viii) This is not a quantitative-method in the credit control:
* Rationing of credit * Open market operation
* Legislation * Reserve ratio
- ix) This type of cheque requires the payee to present his / her identification to the cashier:
* Bearer cheque * Order cheque * Crossed cheque * Open cheque
- x) The amount of a bill of exchange can be received / cashed from a bank, before maturity by:
* Overdraft * Renewal * Discounting * Presenting to drawee
- xi) The circulation of credit money in the country is controlled by:
* Commercial bank * Central bank * Industrial bank * Agricultural bank
- xii) Purchasing Power Parity Theory was presented by:
* David Ricardo * J.S. Mill * Alfred Marshal * Gustav Cassel
- xiii) This documents is used to deposit money into bank:
* Fixed deposit receipt * Pay-in-slip
* Counter foil of cheque * Specimen signature card
- xiv) This is provided to customer for opening profit and loss term deposit account:
* Cheque bank * Pay-in-slip * Passbook * Fixed deposit receipt
- xv) What is meant by the principle of diversity regarding issuance of loan?:
* Lending only to those who can repay the debt at short notice * Lending against some material security
* Lending in terms of sure repayment * Lending to different businesses or individuals

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