

**AGA KHAN UNIVERSITY EXAMINATION BOARD**

**HIGHER SECONDARY SCHOOL CERTIFICATE**

**CLASS XII**

**ANNUAL EXAMINATIONS (THEORY) 2023**

**Banking Paper II**

**Time: 1 hours 50 minutes Marks: 35**

**INSTRUCTIONS**

**Please read the following instructions carefully.**

1. Check your name and school information. Sign if it is accurate.

**I agree that this is my name and school.  
Candidate's Signature**

**RUBRIC**

2. There are TEN questions. Answer ALL questions. Questions 10 offers TWO choices. Attempt any ONE choice.
3. When answering the questions:  
  
Read each question carefully.  
Use a black pointer to write your answers. DO NOT write your answers in pencil.  
Use a black pencil for diagrams. DO NOT use coloured pencils.  
DO NOT use staples, paper clips, glue, correcting fluid or in erasers.  
Complete your answer in the allocated space only. DO NOT write outside the answer box.
4. The marks for the questions are shown in brackets ( ).
5. You may use a scientific calculator if you wish.

Q.1. (Total 3 Marks)

Give an example of banks operating in the given banking sectors of Pakistan. (Attempt any THREE)

Banking Sector	Name of the Bank
Foreign Exchange Bank	
Saving Bank	
Microfinance Bank	
Agricultural Bank	

Q.2. (Total 3 Marks)

You are assigned to prepare a brochure to guide minors for opening a bank account.

With reference to the given scenario, mention the THREE mandatory steps that should be added in the brochure.

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Q.3.

(Total 3 Marks)

Mention any THREE agency functions performed by a commercial bank in an economy.

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Q.4.

(Total 4 Marks)

State Bank of Pakistan, in order to meet the deficit of balance of payment (BoP) issues Market Treasury Bills (MTBs) from time to time.

Mention any FOUR features of the given issued market treasury bills (T-bills).

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Q.5. (Total 3 Marks)

Describe any THREE limitations of credit creation in an economy.

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Q.6. (Total 3 Marks)

Ali entered into a contract with an overseas supplier to import smartphones. For that, he requires a letter of credit (L/C).

In the given situation, discuss any THREE steps/ documents that Ali will require for the L/C.

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Q.7. (Total 3 Marks)

Explain key features of the following components of balance of payment (BoP).

Current account: \_\_\_\_\_

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Capital account: \_\_\_\_\_

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Financial account (foreign exchange reserves): \_\_\_\_\_

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Q.8.

(Total 3 Marks)

Collateral is an asset pledged by a borrower, to a lender (or a creditor), as security for a loan.

With reference to the given information, describe any THREE forms of security from the following table.

S.No.	Collateral Security	Forms of Collateral Security
1	Pledge	
2	Mortgage	
3	Marketable Security	
4	Banker Lien	

Q.9.

(Total 3 Marks)

Describe any THREE functions of *Zarai Taraqiyati Bank Limited (ZTBL)*.

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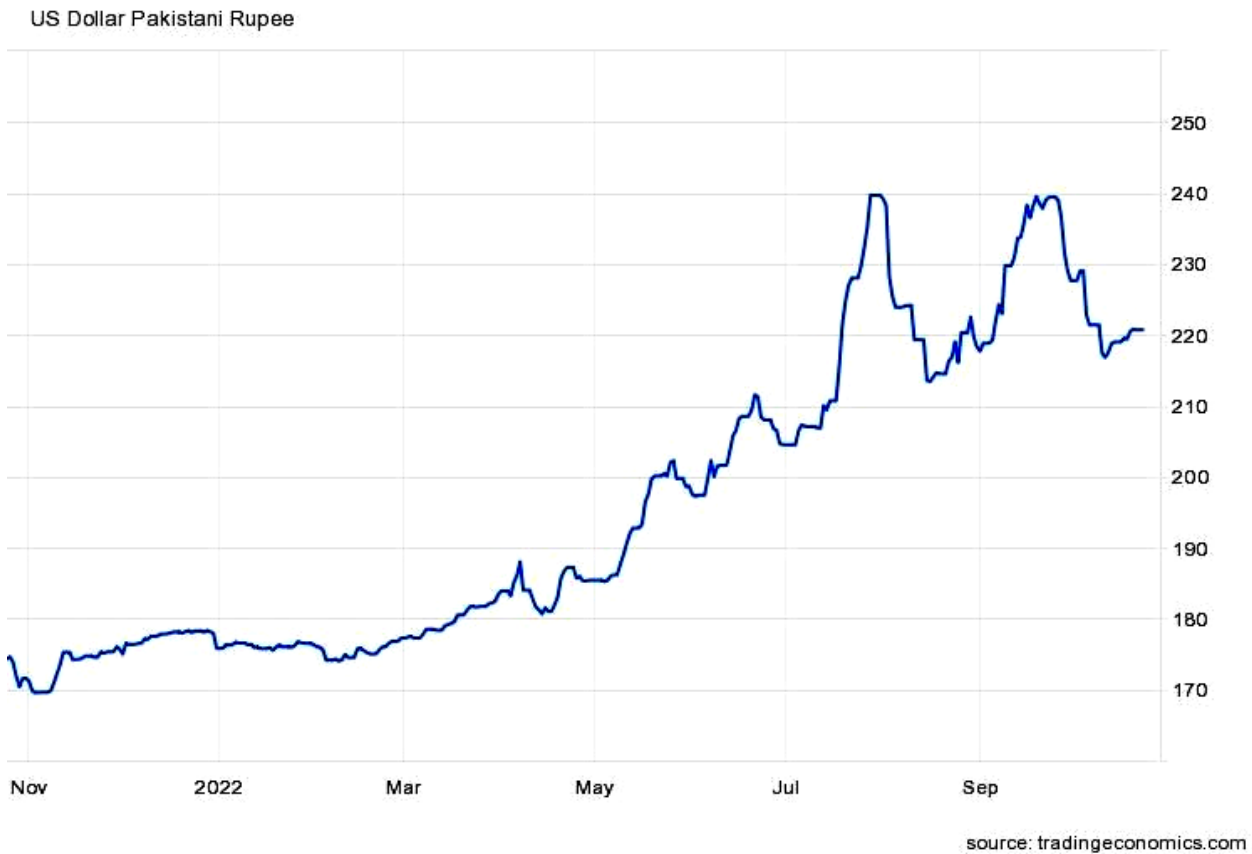
PLEASE TURN OVER THE PAGE

Q.10.

(Total 7 Marks)

**EITHER**

- a. The given graph depicts the fluctuations of exchange rate of Pakistan over last year. Analyse THREE major impacts of the given data (value of exchange) on the economy.



**OR**

- b. Amin is a customer care service officer. He is invited as a guest speaker to a class of banking to talk on the pros or cons of plastic currency.

Suggest if Amin should talk about the pros or cons of plastic money, with reference to your stance, analyse any THREE pros or cons that he should include in his talk.

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