

Evolution of Global Banking

Banking History · Answer Key · 5 Questions

1. Which institution is historically recognized as the world's oldest central bank currently in operation?

- A) Bank of England
- B) Sveriges Riksbank**
- C) Bank of Amsterdam
- D) Banca Monte dei Paschi di Siena

2. Which economic principle, named after a Tudor-era financier, states that 'bad money drives out good' when multiple currencies are in circulation?

- A) Say's Law
- B) Gresham's Law**
- C) Pareto Principle
- D) Engel's Law

3. During the 15th century, the Medici Bank utilized which instrument to facilitate international trade and bypass ecclesiastical prohibitions on usury?

- A) Collateralized Debt Obligation
- B) Bill of Exchange**
- C) Promissory Note
- D) Fiat Currency

4. The term 'bank' originates from the Italian word 'banco', which historically referred to what physical object used by money changers?

- A) A leather pouch
- B) A metal scale
- C) A wooden bench**
- D) A ledger book

5. In 1717, which famous scientist, serving as Master of the Mint, established a gold-to-silver ratio that effectively moved Britain toward the gold standard?

- A) Robert Boyle
- B) Edmond Halley
- C) Sir Isaac Newton**
- D) Christiaan Huygens