Foundations of Banking History

History · Answer Key · 12 Questions

1. Which Italian city is widely credited as the birthplace of modern banking during the Renaissance?

A) Venice
B) Florence
C) Rome
D) Milan

2. What is the name of the oldest bank in the world, still in operation, founded in Italy in 1472?

A) Banca Monte dei Paschi di Siena
B) Banco di Napoli
C) Banca Intesa Sanpaolo
D) Banco Santander

3. During the 17th century, what type of businesses were the precursors to modern banks by storing gold for merchants?

A) Blacksmiths
B) Taverns
C) Goldsmiths
D) Tailors

4. The Bank of England was established in 1694 primarily to perform what function for the government?

A) Manage colonial trade
B) Fund war efforts
C) Print postage stamps
D) Regulate farming prices

5. Which invention in the late 20th century transformed consumer banking by allowing 24-hour access to cash?

A) Credit cards
B) The internet
C) The ATM
D) Electronic checks

6. What term refers to the document used in ancient Mesopotamia to record debt obligations on clay tablets?

A) Cuneiform ledger
B) Promissory note
C) Currency bill
D) Barter receipt

7. The Medici family, who were instrumental in early banking, were based in which country?

A) France
B) Spain
C) Italy
D) Germany

8. In 1913, the Federal Reserve System was created in the United States to act as the country's what?

A) Central bank
B) Stock exchange
C) Treasury department
D) Retail chain

9. What did the Gold Standard effectively tie the value of a nation's currency to?

A) Land ownership
B) The price of oil
C) Fixed weights of gold
D) The military budget

10. During the Great Depression in the 1930s, what phenomenon led to the closure of thousands of banks?

A) Bank runs
B) Currency deflation
C) Hyperinflation
D) Lack of computers

11. Which financial innovation allowed people to pay for goods without carrying physical coins or bullion starting in the mid-20th century?

A) The credit card
B) The barter system
C) Bitcoin
D) Bank drafts

12. What was the primary function of early 'merchant banks' during the 18th and 19th centuries?

A) Retail savings accounts
B) Financing international trade
C) Managing personal debt
D) Providing ATM services