

# Banking Structures and Operations

Finance · Answer Key · 15 Questions

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## 1. What is a unit bank?

- A) A bank with multiple branches
- B) A bank that offers all services from one office**
- C) A bank that operates only online
- D) A bank that holds stock in other banks

## 2. Which type of bank operates several branches with some centralized and some decentralized functions?

- A) Virtual bank
- B) Branch bank**
- C) Unit bank
- D) Bank Holding Company

## 3. Virtual banks provide services mainly through:

- A) Physical branches
- B) The internet**
- C) ATMs only
- D) Bank subsidiaries

## 4. A Bank Holding Company assumes control of a bank when it owns at least:

- A) 10%
- B) 25%**
- C) 50%
- D) 75%

## 5. One reason for the growth of bank branching is:

- A) Advances in technology
- B) Exodus of population to residential areas**
- C) Privatization
- D) Convergence

## 6. Proponents of interstate banking argue that it:

- A) Increases prices for services
- B) Uses resources efficiently**
- C) Drains resources from communities
- D) Reduces credit flow

**7. Bank subsidiaries typically provide:**

- A) Only traditional banking
- B) Insurance and security brokerage services**
- C) Only virtual banking
- D) Foreign banking only

**8. Which of the following is part of the changing organization of banks?**

- A) Unit banking
- B) Deregulation and financial innovation**
- C) Closing virtual banks
- D) Reducing globalization

**9. Which European country has the largest banking industry?**

- A) France
- B) Germany**
- C) Switzerland
- D) Italy

**10. Belgium's banking system is dominated by:**

- A) Only unit banks
- B) Five large banks**
- C) Government banks
- D) Virtual banks

**11. Japan's banking system is dominated by:**

- A) Government banks
- B) Big four financial groups**
- C) Private specialized banks only
- D) Foreign banks only

**12. In the Philippines, the banking sector is dominated by:**

- A) Government banks
- B) Large private banks**
- C) Virtual banks only
- D) Branch banks only

**13. How many specialized banks exist in the Philippines excluding the BSP?**

- A) 1
- B) 2
- C) 3**
- D) 4

**14. Securitization in banking refers to:**

- A) Providing insurance services
- B) Turning assets into marketable securities**
- C) Expanding branches geographically
- D) Using ATMs

**15. What is "convergence" in banking?**

- A) Merging banking and nonbank financial services**
- B) Expanding unit banks
- C) Increasing branch authority
- D) Online banking only