

Banking Structures and Operations

Finance · Practice Test · 15 Questions

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