Foundations of Banking History

Banking History · Answer Key · 10 Questions

1. Which ancient civilization is credited with the earliest known banking activities, involving grain loans by temple priests?

A) Mesopotamia
B) Ancient Egypt
C) Ancient Greece
D) Ancient Rome

2. What was the primary function of the Medici Bank, founded in Italy during the 15th century?

A) Issuing plastic cards
B) Providing mortgage insurance
C) Facilitating international trade and currency exchange
D) Managing government pension funds

3. The Bank of England, established in 1694, was originally created to serve what specific purpose?

A) To store royal jewelry
B) To act as a central bank for the government's debt
C) To manage private shipping fleets
D) To print gold coins

4. What historical medium of exchange preceded the use of paper banknotes in early banking systems?

A) Digital credit
B) Gold and silver coinage
C) Plastic tokens
D) Barter contracts only

5. The term 'bank' is derived from the Italian word 'banco', which originally referred to what physical object?

A) A stone vault
B) A wooden bench
C) A metal safe
D) A ledger book

6. Which invention significantly accelerated the speed of banking transactions in the late 19th century?

A) The steam engine

B) The telegraph

C) The internal combustion engine

D) The printing press

7. What is the historical definition of a 'goldsmith banker' in 17th-century England?

A) A person who sold jewelry and held customers' gold for safekeeping

B) A professional coin designer

C) A miner who owned silver banks

D) A government tax collector

8. In the history of banking, what is a 'ledger'?

A) A type of security alarm

B) A book or database used to record financial transactions

C) A physical coin mold

D) An interest-bearing savings account

9. What was the primary role of the 'Bill of Exchange' in medieval banking?

A) To pay for local groceries

B) To allow merchants to transfer money across long distances without carrying physical cash

C) To prove land ownership

D) To act as a receipt for tax payments

10. Which city is historically associated with the development of modern accounting and double-entry bookkeeping during the Renaissance?

A) Florence

B) London

C) New York

D) Tokyo