

Milestones in Banking History

History · Answer Key · 8 Questions

1. Which Italian city is widely considered the birthplace of modern banking during the Renaissance period?

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

2. What was the primary purpose of the 'Bancor', a proposed international currency unit suggested by John Maynard Keynes in 1944?

- A) To replace the US Dollar as the world reserve currency
- B) To manage international trade imbalances**
- C) To fund the reconstruction of post-war Europe
- D) To regulate cryptocurrency markets

3. Which institution, established in 1694, is often cited as the first modern central bank?

- A) Bank of France
- B) Bank of England**
- C) Federal Reserve
- D) Sveriges Riksbank

4. What is the historical significance of the 'Bill of Exchange' in medieval trade?

- A) It allowed merchants to transfer funds without physically moving gold coins**
- B) It acted as the first form of electronic stock trading
- C) It was a tax levied on all international imports
- D) It served as the first paper money in Europe

5. The Glass-Steagall Act of 1933 was enacted in the United States primarily to:

- A) Create the first credit card system
- B) Separate commercial banking from investment banking**
- C) Establish the gold standard
- D) Regulate the interest rates for savings accounts

6. In 1668, which country established the 'Sveriges Riksbank', recognized as the world's oldest central bank?

- A) Denmark
- B) Sweden**
- C) Norway
- D) Germany

7. What was the 'Gold Standard' that most major world economies adhered to prior to the 20th century?

A) A system where paper currency was backed by fixed amounts of gold

- B) A tax system based on gold mining outputs
- C) A trade policy favoring gold imports over silver
- D) A law requiring all merchants to pay in gold

8. During the 17th century, the 'Tally Stick' was used in England as a method for:

A) Tracking investment stock prices

B) Recording debt and financial transactions

- C) Measuring the weight of gold coins
- D) Calculating international exchange rates