Milestones in Banking History

History · Practice Test · 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