

# IGCSE CIE

## Economics MCQ

### Money and Banking (QP)

1. May 2024-12/15

Which function of money acts as a measure of value?

- A a medium of exchange
- B a standard of deferred payment
- C a store of wealth
- D a unit of account

2. May 2024-13/10

What function does a central bank provide for an economy?

- A It issues bank notes to encourage spending.
- B It manages the debt of private sector firms.
- C It offers high interest rate accounts to encourage savings.
- D It provides mortgages to encourage home ownership.

3. March 2024-12/10

The table shows information about four financial institutions.

Which institution is most likely to be a commercial bank?

	it is the government's bank	it is owned by shareholders
A	no	no
B	no	yes
C	yes	no
D	yes	yes

4. Oct 2023-11/11

A person planning for old age saves in the form of money rather than goods.

Which function does money perform when this is done?

- A medium of exchange
- B standard of deferred payment
- C store of value
- D unit of account

5. Oct 2023-11/12

What is **not** normally a function of the central bank of a country?

- A acting as lender of last resort
- B issuing notes and coins
- C operating the government monetary policy
- D setting the government budget

6. Oct 2023-12/11

The ways of making and receiving payments continue to develop. Payments can now be made using smartphones, as well as cash, debit cards and credit cards.

Which method of paying for products provides no information to sellers about their customers?

- A cash
- B debit cards
- C credit cards
- D smartphones

7. Oct 2023-12/12

In most countries, which organisation controls the banking system?

- A central bank
- B commercial bank
- C investment bank
- D World Bank

8. Oct 2023-13/11

A function of money is to act as a measure of value.

What does this mean?

- A It is used for future savings.
- B It is used to compare the worth of different goods.
- C It is used to enable monthly payments for expensive goods.
- D It is used to pay the price of a good.

9.March 2023-12/10

What is a function of commercial banks?

- A accept deposits and savings
- B lender of last resort to government
- C manage the national debt
- D operate monetary policy

10.Oct 2022-11/10

Which advantage do coins have that makes them more suitable than paper banknotes to act as money?

- A They are more divisible.
- B They are more durable.
- C They are more portable.
- D They are more recognisable.

11.Oct 2022-12/10

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13.May 2022-11/28

Which activity is correctly linked to the organisation that provides it?

	organisation	activity
<b>A</b>	central bank	regulate the rate of inflation
<b>B</b>	central bank	set direct tax rates
<b>C</b>	commercial bank	manage the government's financial accounts
<b>D</b>	commercial bank	safeguard the country's foreign reserves

14.May 2022-12/13

A bank continues to operate loss-making branches.

Which objective is the bank trying to achieve?

- A** growth
- B** efficiency
- C** profit maximisation
- D** social welfare

15.May 2022-12/15

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16.May 2022-13/15

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17.May 2021-11/9

It is expected that consumers will use less paper money.

What is the **most** likely reason for this?

- A Inflation reduces the value of paper money.
- B More ways of making payments will be available.
- C Other forms of money are more durable.
- D Paper money will have less intrinsic value.

18.March 2021-12/9

Which function does a central bank provide for the general public?

- A accepting deposits
- B issuing banknotes
- C making loans
- D providing overdrafts