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MONEY AND CREDIT

Class 10 - Social Science

Time Allowed: 59 minutes

Maximum Marks: 75

1. What is a cheque? [1]
 - a) Paper making payment
 - b) Collateral
 - c) Paper instructing the bank to pay a specific amount
 - d) A term of credit
2. Money acts as: [1]
 - a) Bills of exchange
 - b) Investment
 - c) Collateral
 - d) Medium of exchange
3. Which of the following is the primary purpose of loan activities offered by banks? [1]
 - a) To generate profits for the primary sector only
 - b) To increase income of MNCs
 - c) To support economic growth
 - d) To compete with other financial institutions
4. In urban areas, Poor households take loan from _____. [1]
 - a) informal sector
 - b) banks
 - c) formal sector
 - d) cooperatives
5. Who among the following takes the decision regarding saving and loan activities in the Self Help Groups (SHGs)? [1]
 - a) Manager of a Bank
 - b) Members of Non-Governmental Organisation (NGO)
 - c) Members of Self-Help Group (SHG)
 - d) Local Money Lenders
6. The credit helps to meet: [1]
 - a) Household needs
 - b) The borrower and the lender
 - c) Working capital needs of production
 - d) Day to day expenses
7. What is the positive impact of credit? [1]
 - a) Increase in profit of lenders
 - b) Increase in tax collection of government
 - c) Continuation of business
 - d) People fall in debt trap
8. Which of these is not an informal sector of credit? [1]
 - a) Money lenders
 - b) Employer
 - c) Banks
 - d) Cash traders
9. What is collateral? [1]

- a) Loan given by the bank
b) Assets owned by the government
c) An asset owned by the borrower
d) Asset owned by the lender
10. Why do lenders often require collateral before lending loan? Choose the most suitable option from the following. [1]
a) To mitigate the risk of loan default.
b) To establish personal relations.
c) To increase their profit margins.
d) To lower interest rates for borrowers.
11. Banks in India hold about 15% of deposits as cash as the provision: [1]
a) to distribute the money as charity
b) to pay depositors who come to withdraw their money
c) to maintain ATM'S
d) to pay the staff's salaries
12. What is a demand deposit? [1]
a) The bank demands for the deposit
b) The bank doesn't demand for deposit
c) The customer never demands for the deposit in a bank
d) Deposit in the bank account can be withdrawn on demand
13. How does cheap and affordable credit contribute to the development of the country? [1]
a) Society would develop
b) People could borrow cheaply
c) Banks could increase their profit
d) Efforts of government would be lauded
14. The exchange of goods for goods is known as: [1]
a) barter exchange
b) promissory bills
c) e-banking
d) banking
15. Why is it difficult taking a loan from a bank than taking a loan from informal source? [1]
a) Bank loan requires proper documents and collateral
b) Bank does not know the borrower
c) Banks often harass the borrowers
d) Informal sources provide loans at cheaper rates
16. Grameen Bank is the success story in: [1]
a) Pakistan
b) Bangladesh
c) India
d) Myanmar
17. Formal sources of credit do not include: [1]
a) employers
b) banks
c) Cooperative credit society
d) cooperatives
18. Why is it necessary for banks and cooperatives to increase their lending particularly in rural areas? [1]
a) To increase their profits
b) Rural areas require more loans
c) Rural areas are a good option for lending
d) To reduce the dependence on informal sources of credit
19. Which one of the following is a formal source of loan? [1]

- a) Friend
c) Landlord
- b) Bank
d) Relatives
20. _____ is the success story that met the credit needs of the poor, at reasonable rates, in Bangladesh. [1]
- a) Common Bank
c) Grameen Bank
- b) Cooperative Bank
d) Reserve Bank
21. Select the formal sources of credit from the given sources and choose the correct option. [1]
- I. Bank
II. Moneylender
III. Cooperatives
IV. Businessman
- a) Only I and II
c) Only II and III
- b) Only I and III
d) Only I and IV
22. From where do rich urban households in India borrow? [1]
- a) Relatives
c) Formal source of credit
- b) Friends
d) Informal source of credit
23. Credit refers to: [1]
- a) An agreement between the lender and the borrower
c) Facility
- b) Money
d) Deal never paid off
24. Why are poor households still dependent on informal sources of credit? [1]
- a) Due to inaccessibility of rural people to banks
c) Due to banks being at far-off places
- b) Due to the absence of collateral security
d) Due to the low interest rates
25. Demonetisation was done with a motive of controlling: [1]
- a) Increase in prices of goods
c) Inflation
- b) Stagflation
d) Corruption
26. Match the following: [1]
- | | |
|---------------------------|--|
| (a) Reserve Bank of India | (i) Financial support groups that are formed at the village level |
| (b) Self Help Groups | (ii) Supervises the functioning of formal sources of loan |
| (c) Credit | (iii) Deposits in the bank account which are payable on demand |
| (d) Demand deposits | (iv) An agreement in which the lender supplies the borrower with money, goods or services in return for the promise of future payment. |
27. Match the following: [1]
- | | |
|--|-------------------|
| (a) An institution that mediates between the depositor and the borrowers | (i) Micro-finance |
|--|-------------------|

| | |
|---|----------------------|
| (b) Debt trap | (ii) Mode of payment |
| (c) The mode through which the borrower will repay the loan | (iii) Credit(loan) |
| (d) Self Help Group | (iv) Banks |

28. Match the following: [1]

| | |
|--|--|
| (a) The basic idea of Self Help Groups | (i) The difference between interest charged from borrowers and what is paid to the depositor |
| (b) Form of money in the ancient period | (ii) Metallic coins of gold, silver, copper |
| (c) Form of money in the medieval period | (iii) Grains and Cattle |
| (d) Main source of income of banks | (iv) To provide easy loan at a low- interest rate. |

29. Match the following: [1]

| | |
|--------------------------------|---|
| (a) Commercial banks | (i) Plays a significant role in the improvement of the condition of the poor women in Bangladesh. |
| (b) Informal Sources of Credit | (ii) Accepting deposits from the individual |
| (c) Krishak cooperative | (iii) Charge very high interest rates |
| (d) Grameen bank | (iv) Provides loan for the purchase of agricultural implements etc. |

30. Match the following: [1]

| | |
|--|---|
| (a) Factors that crucial for the country's development | (i) Bank and Cooperatives |
| (b) Formal sector of credit | (ii) A person who borrows money from the bank |
| (c) Moneylenders | (iii) Cheap and affordable credit |
| (d) Borrowers | (iv) a person who lends money which has to be paid back at a high rate of interest. |

31. Why should credit at reasonable rates be available for all? [1]

32. How do the Demand Deposits offer facilities? [1]

33. Why do banks maintain cash reserve? [1]

34. Name the organization that conducted All India Debt and Investment Survey, 2003. [1]

35. Which agency has the sole right to print currency notes on behalf of Government of India? [1]

36. **Assertion (A):** Rural poor families are still dependent on informal sources of credit. [1]

Reason (R): For obtaining loan from banks, collateral and special documents are required.

- a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A.
- c) A is true but R is false. d) A is false but R is true.

37. **Assertion (A):** The Reserve Bank of India supervises the functioning of formal sources of loans. [1]

Reason (R): The RBI sees that the banks give loans not just to profit-making businesses and traders but also to small cultivators, small scale industries, to small borrowers, etc.

- a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A.
 c) A is true but R is false. d) A is false but R is true.

38. **Assertion (A):** Banks keep only a small proportion of their deposits as cash with themselves. [1]


Reason (R): Banks in India these days hold about 15 percent of their deposits as cash.

- a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A.
 c) A is true but R is false. d) A is false but R is true.

39. **Assertion (A):** No individual in India can legally refuse a payment made in rupees. [1]

Reason (R): In India the rupee is authorized by the State Governments.

- a) Both A and R are true and R is the correct explanation of A. b) Both A and R are true but R is not the correct explanation of A.
 c) A is true but R is false. d) A is false but R is true.

40.  [1]



Which of the following option best describes the above picture?

- a) Loan Activities of Bank b) Barter System provided by Bank
 c) Demand Draft facilities extended by Bank. d) Activities of Self Help Groups

41. Match the following: [1]

| Column A | Column B |
|---|-----------------------------------|
| (a) An Organisation that monitors the banks in maintaining a cash balance | (i) Self Help Group |
| (b) An Organisation that works as building blocks for the rural poor | (ii) Demand deposits |
| (c) Means of payment | (iii) Double coincidence of wants |
| (d) An essential feature in a barter system | (iv) RBI |

- a) (a) - (iii), (b) - (i), (c) - (ii), (d) - (iv) b) (a) - (iv), (b) - (i), (c) - (ii), (d) - (iii)
 c) (a) - (iv), (b) - (ii), (c) - (i), (d) - (iii) d) (a) - (iv), (b) - (iii), (c) - (ii), (d) - (i)

42. Match the following: [1]

| | |
|---|---------------------------------|
| (a) Means of exchange, a measure and a store of value | (i) Double coincidence of wants |
| (b) Sources of formal loan for rural households | (ii) Debt trap |
| (c) What a person desires to sell is exactly what the other wishes to buy | (iii) Banks and |

| | |
|--|--------------|
| | Cooperatives |
| (d) A situation when it becomes impossible to repay the loan and borrower adds on new debt to pay the existing debt. | (iv) Money |

- a) (a) - (iv), (b) - (i), (c) - (iii), (d) - (ii) b) (a) - (iv), (b) - (ii), (c) - (i), (d) - (iii)
c) (a) - (iv), (b) - (iii), (c) - (i), (d) - (ii) d) (a) - (ii), (b) - (iii), (c) - (i), (d) - (iv)

43. Match the following:

[1]

| | |
|--|----------------------|
| (a) An institution that mediates between the depositor and the borrowers | (i) Micro-finance |
| (b) Debt trap | (ii) Mode of payment |
| (c) The mode through which the borrower will repay the loan | (iii) Credit(loan) |
| (d) Self Help Group | (iv) Banks |

- a) (a) - (iv), (b) - (iii), (c) - (ii), (d) - (i) b) (a) - (iv), (b) - (ii), (c) - (iii), (d) - (i)
c) (a) - (i), (b) - (iii), (c) - (ii), (d) - (iv) d) (a) - (iv), (b) - (i), (c) - (ii), (d) - (iii)

44. Match the following:

[1]

| | |
|--|---------------------|
| (a) The guarantee given by the lender to the borrower | (i) More investment |
| (b) An institution that issue currency notes on behalf of the central government | (ii) Collateral |
| (c) Terms of credit | (iii) Interest rate |
| (d) Cheap credit enable | (iv) RBI |

- a) (a) - (ii), (b) - (i), (c) - (iii), (d) - (iv) b) (a) - (ii), (b) - (iv), (c) - (iii), (d) - (i)
c) (a) - (ii), (b) - (iii), (c) - (iv), (d) - (i) d) (a) - (i), (b) - (iv), (c) - (iii), (d) - (ii)

45. Money has replaced _____ as the medium of exchange.

[1]

- a) paper currency b) barter
c) gold currency d) banks

46. A _____ holder can withdraw money from bank at a fixed time.

[1]

- a) fixed deposit account b) current deposit
c) recurring deposit d) savings deposit account

47. Find the incorrect option:

[1]

- a) Banks keep only a small proportion of their deposits as cash with themselves. b) Banks charge a lower rate of interest on loans than what they offer on deposits.
c) Banks use a major portion of deposits to extend loans. d) The difference between what is charged from borrowers and what is paid to the depositors is the main source of income for the banks.

48. Identify the incorrect option from the given statements:

[1]

- a) The SHGs help borrowers overcome the problem of lack of collateral. b) A typical SHG has 15-20 members who meet and save regularly.

- c) In the SHG, saving per member varies from Rs. 25 to Rs. 100 or more, depending on the ability of the people to save.
- d) The SHG charges interest on the loans but higher than what the moneylender charges.
49. Identify the incorrect option as given below: [1]
- a) The RBI supervises the functioning of formal sources of loans.
- b) The RBI sees that the banks give loans not just to profit-making businesses and traders but also to small cultivators
- c) The RBI monitors the banks in actually maintaining cash balance.
- d) Banks have to submit information to the RBI on income tax returns.
50. Identify the incorrect option from the points: [1]
- a) In informal sources lenders charge much higher rates of interest.
- b) The main motive of informal sources is profit-making.
- c) Banks and cooperatives are the examples of informal sources
- d) In informal sources, there is no organisation that supervises credit activities.
51. Identify the incorrect option from the given points: [1]
- a) Barter system solved the problem of double coincidence of wants.
- b) Money is the perfect store of value.
- c) A Barter system is a system where goods are directly exchanged without the use of money.
- d) Money can be easily exchanged with any commodity or service.
52. Name the institution with the help of given hint: [1]
- The basic objective of these Groups is to organize rural poor, particularly women belonging to one neighbourhood into small groups. These members save regularly and the amount varies from ₹25-100 or more depending upon their ability to save.
- a) Self Health Groups
- b) Self Help Groups
- c) Save Help Groups
- d) Share Help Groups
53. Name the bank with the help of given information: [1]
- This bank is one of the biggest success stories in reaching the poor to meet their credit needs at reasonable rates. Started in the 1970s as a small project, this Bank in 2018 has over 9 million members in about 81,600 villages spread across Bangladesh. Almost all of the borrowers are women and belong to poorest sections of society.
- a) Gramoday Bank
- b) Grameen Bank
- c) Grahak Bank
- d) Gram bank
54. Find the odd one out from the following options about the details **printed** on a cheque: [1]
1. IFSC Code
 2. Cheque Number
 3. Bank Name
 4. Amount
- a) Amount
- b) Cheque Number

c) Self Women Group

d) Self Credit Group

60. **Read the information given below and select the correct option** [1]

A shoe manufacturer, M. Salim has to make a payment to the leather supplier and writes a cheque for a specific amount. This means that the shoe manufacturer instructs his bank to pay this amount to the leather supplier. The leather supplier takes this cheque and deposits it in his own account in the bank. The money is transferred from one bank account to another bank account in a couple of days. The transaction is complete without any payment of cash. What kind of payment system is indicated here?

a) Cheque Payments

b) Loan activities of Bank

c) Demand Draft

d) Electronic payments

61. **Read the information given below and select the correct option** [1]

Avinash went to a stationery shop to buy books and pens. He bought 5 books and 2 pens amounting to Rs. 100 in total. Avinash handed Rs. 100 note to shopkeeper but shopkeeper refused to accept the payment. Avinash told the shopkeeper that he cannot refuse the payment made by him. After reading the above case state why one cannot refuse a payment made in rupees in India?

a) The law legalises the use of rupee as a medium of credit arrangements

b) The law legalises the use of rupee as a medium of Barter exchange

c) The law legalises the use of rupee as a medium of payment

d) The law legalises the use of rupee as a medium of Store of Value

62. **Fill in the blanks:** [4]

(a) Banks charge a higher interest rate on loans than what they offer on _____.

[1]

(b) _____ issues currency notes on behalf of the Central Government.

[1]

(c) _____ costs of borrowing increase the debt-burden.

[1]

(d) Majority of the credit needs of the _____ households are met from informal sources.

[1]

63. **Correct the following statement and rewrite:** [4]

(a) Expensive and costly credit is crucial for the country's development.

[1]

(b) The difference between what is charged from the borrowers and what is paid to depositors is the main source of expense of the banks.

[1]

(c) The currency notes are issued by the Central Government of India on behalf of the Reserve Bank.

[1]

(d) When two parties agree to sell and buy each other's commodities, this situation is known as lack of double co-ordination of wants.

[1]

64. **State whether the given statement is True or False:** [5]

(a) Currency gives a nation purchasing power.

[1]

(b) Gold seals were used in ancient times as money.

[1]

(c) The collateral demand that lenders make loans agents are vehicle and building of the borrower.

[1]

(d) Reserve bank of India (RBI) has the sole right to print currency notes on behalf of Government of India.

[1]

(e) Dinar in Indian currency is backed by the RBI, so it is accepted as a medium of exchange.

[1]

65. **Fill in the blanks:** [1]

(a) A _____ is a paper instructing the bank to pay a specific amount from the person's account to the person in whose name the cheque has been issued.

[1]

Solution
MONEY AND CREDIT
Class 10 - Social Science

1.
(c) Paper instructing the bank to pay a specific amount
Explanation:
A cheque is a paper which instructs the bank to pay a specific amount from the person's account to the person in whose name the cheque has been issued. The person writing the cheque, known as the drawer, has a transaction banking account (often called a current, cheque, chequing, or checking account) where their money is held.
2.
(d) Medium of exchange
Explanation:
Money may be defined as anything which is generally accepted by the people in exchange of goods and services or in repayment of debts. Money acts as a medium of exchange since it acts as a medium in the process of exchange of goods.
3.
(c) To support economic growth
Explanation:
To support economic growth
4. **(a)** informal sector
Explanation:
Poor households don't have any collateral, which they could use as a guarantee to a lender until the loan is repaid. so they take loans from informal sources of credit.
5.
(c) Members of Self-Help Group (SHG)
Explanation:
Most of the important decisions regarding the savings and loan activities are taken by the members of Self-Help Group (SHG). The group decides as regards the loans to be granted — the purpose, amount, interest to be charged, repayment schedule etc.
6.
(c) Working capital needs of production
Explanation:
The credit helps to meet the working capital needs of production, ongoing expenses of production, complete the production on time, and thereby increase one's earnings. Credit is best used to meet short-term working capital needs that exist for less than 12 months.
7.
(c) Continuation of business
Explanation:
Credit helps the borrower in meeting the ongoing expenses of production and complete production on time. The economic needs of agricultural, commercial, and industrial sectors of the economy are adequately met by the credit.
8.
(c) Banks
Explanation:
Banks is a formal sector of credit and these are supervised by Reserve Bank of India(RBI). The other three are the informal sources of credit.

9. (c) An asset owned by the borrower
Explanation:
Collateral is an asset owned by the borrower such as land, building, vehicle, livestock, deposit with the bank, etc. and uses this as the guarantee to the lender until the loan is paid. If the borrower fails to repay the loan, the lender has the right to sell the asset or the collateral to obtain the payment.
10. (a) To mitigate the risk of loan default.
Explanation:
To mitigate the risk of loan default.
11. (b) to pay depositors who come to withdraw their money
Explanation:
15% of the deposits as cash in the bank is kept to pay the depositors who might come to withdraw money from the bank on any given day. The major portion of the deposits is used by the banks to extend loans.
12. (d) Deposit in the bank account can be withdrawn on demand
Explanation:
A demand deposit consists of funds held in an account from which deposited funds can be withdrawn on demand in the form of cash as well as in the form of a cheque which instructs the bank to pay a specific amount from the persons account to the person in whose name the cheque has been issued.
13. (b) People could borrow cheaply
Explanation:
If banks and cooperative societies lend more it would lead to higher incomes and many **people could then borrow cheaply for a variety of needs**. They could grow crops, do business, set up small-scale industries etc. They could set up new industries or trade in goods. Cheap and affordable credit is crucial for the country's development.
14. (a) barter exchange
Explanation:
Barter exchange is the exchange of goods for goods without any exact measurement and it requires a double coincidence of wants. Before the use of currency, barter system was prevalent everywhere.
15. (a) Bank loan requires proper documents and collateral
Explanation:
Informal lenders know the borrowers personally and hence are willing to give loan without collateral (it is an asset that the borrower owns (such as land, building, vehicles, livestock, deposits with banks) and uses this as a guarantee to a lender until the loan is repaid). They also do not keep records of transactions which makes the borrowers comfortable taking a loan from them.
16. (b) Bangladesh
Explanation:
Grameen Bank of Bangladesh was founded in October 1983. It is one of the biggest success stories in reaching the poor to meet their credit needs at reasonable rates.
17. (a) employers
Explanation:
The formal sector includes loans from **banks** and **cooperatives**. The informal lenders include moneylenders, traders, employers, relatives and friends, etc.

18. **(d)** To reduce the dependence on informal sources of credit
Explanation:
Most loans from informal lenders carry a very high interest rate and often cheat the borrowers and a little to increase their income. This also leads to the situation of the debt trap. In order to help the people of rural areas it necessary for banks and cooperatives to increase their lending particularly in rural areas.
19. **(b)** Bank
Explanation:
The loan extended by **banks and cooperative** societies constitutes the formal source of credit. The functioning of these financial institutions is supervised by the Reserve Bank of India.
20. **(c)** Grameen Bank
Explanation:
Grameen Bank of Bangladesh was founded in October 1983. It is one of the biggest success stories in reaching the poor to meet their credit needs at reasonable rates.
21. **(b)** Only I and III
Explanation:
Only I and III
22. **(c)** Formal source of credit
Explanation:
Formal sources of credit i.e. banks are easily available in the urban areas and people do have good knowledge about the credit facilities of these banks. So people in these areas get loans from formal sources.
23. **(a)** An agreement between the lender and the borrower
Explanation:
Credit is an agreement in which the lender supplies the borrower with money, goods, or services in return for the promise of future payment. Credit also refers to an accounting entry that either decreases assets or increases liabilities and equity on the company's balance sheet.
24. **(b)** Due to the absence of collateral security
Explanation:
Due to the absence of collateral security
25. **(d)** Corruption
Explanation:
Demonetisation was done to promote digital transactions and control corruption. It was also done to ambush black market.
26. (a) - (ii), (b) - (i), (c) - (iv), (d) - (iii)
27. (a) - (iv), (b) - (iii), (c) - (ii), (d) - (i)
28. (a) - (iv), (b) - (iii), (c) - (ii), (d) - (i)
29. (a) - (ii), (b) - (iii), (c) - (iv), (d) - (i)
30. (a) - (iii), (b) - (i), (c) - (iv), (d) - (ii)

31. Credit should be available at reasonable rates because on one hand if the rates are low, people will easily be able to return the loan and secondly, they will improve loan borrowing power of people, invariably affecting their business and personal success. The poor people can also benefit from cheaper loans rates.
32. It offers essential characteristics of money/Safe transfer of money.
33. Banks maintain a cash reserve for the arrangement of the daily withdrawals by depositors.
34. NSSO conducted All India Debt and Investment Survey, 2003conducted All India Debt and Investment Survey, 2003.
35. Reserve Bank of India (RBI) has the sole right to print currency notes on behalf of Government of India.

36. **(b)** Both A and R are true but R is not the correct explanation of A.

Explanation:

Both A and R are true but R is not the correct explanation of A.

37. **(c)** A is true but R is false.

Explanation:

The RBI oversees the functioning of commercial banks. The RBI monitors that the banks actually maintain the cash balance out of the deposits they receive.

38. **(b)** Both A and R are true but R is not the correct explanation of A.

Explanation:

Banks keep only a small proportion of their deposits as cash with themselves and uses a major portion of their deposits to extend loans because there is a huge demand for Loans for various economic activities. Banks **in India these days hold about 15 percent of their deposits as cash**. This is kept as a provision to pay the depositors who might come to withdraw money from the bank on any given day. Both the statements are correct but the reason is not justified.

39. **(c)** A is true but R is false.

Explanation:

A is true but R is false.

40. **(a)** Loan Activities of Bank

Explanation:

Banks keep only a small proportion of their deposits as cash with themselves. Banks use the major portion of the deposits to extend loans. Banks make use of the deposits to meet the loan requirements of the people. In this way, banks mediate between those who have surplus funds (the depositors) and those who are in need of these funds (the borrowers).

41. **(b)** (a) - (iv), (b) - (i), (c) - (ii), (d) - (iii)

Explanation:

(a) - (iv), (b) - (i), (c) - (ii), (d) - (iii)

42. **(c)** (a) - (iv), (b) - (iii), (c) - (i), (d) - (ii)

Explanation:

(a) - (iv), (b) - (iii), (c) - (i), (d) - (ii)

43. **(a)** (a) - (iv), (b) - (iii), (c) - (ii), (d) - (i)

Explanation:

(a) - (iv), (b) - (iii), (c) - (ii), (d) - (i)

44. **(b)** (a) - (ii), (b) - (iv), (c) - (iii), (d) - (i)

Explanation:

(a) - (ii), (b) - (iv), (c) - (iii), (d) - (i)

- 45.
- (b) barter**
- Explanation:**
Earlier barter system was prevalent, where goods were exchanged for goods. But now with the help of money goods can be purchased with the help of money which makes the process of exchange of goods smoother.
46. **(a) fixed deposit account**
- Explanation:**
A fixed deposit account is opened to keep the money for a specific time and the holder is allowed to withdraw the sum after the end of that particular time on a particular date. It is different from demand deposits which are payable on demand.
47. **(b) Banks charge a lower rate of interest on loans than what they offer on deposits.**
- Explanation:**
Banks charge a higher rate of interest on loans than what they offer on deposits.
48. **(d) The SHG charges interest on the loans but higher than what the moneylender charges.**
- Explanation:**
The SHG charges interest on the loans but less than what the moneylender charges.
49. **(d) Banks have to submit information to the RBI on income tax returns.**
- Explanation:**
Banks have to submit information to the RBI on how much they are lending, to whom, at what interest rate, etc.
50. **(c) Banks and cooperatives are the examples of informal sources**
- Explanation:**
Banks and cooperatives are examples of formal sources and moneylenders, traders, employees, friends and relatives etc. are the example of informal sources.
51. **(a) Barter system solved the problem of double coincidence of wants.**
- Explanation:**
Money solves the problem of double coincidence of wants by acting as a medium of exchange.
52. **(b) Self Help Groups**
- Explanation:**
A typical Self-Help Group has 15-20 members, usually belonging to one neighbourhood who meet and save regularly. The aim of the Self-Help Group is to organise rural poor, women in particular and collect their savings and to take loans from the group to meet their needs.
53. **(b) Grameen Bank**
- Explanation:**
Grameen Bank of Bangladesh was started in the 1970s. It has now over 6 million borrowers in about 40,000 villages. Almost all the borrowers are women and belong to poorest sections of society. These borrowers have proved that not only are poor women reliable borrowers, but they can start and run a variety of small income-generating activities successfully.

54. (a) Amount
Explanation: The amount is not printed but it is filled by the customer.
55. (d) Option (ii)
Explanation:
Arun pays a reasonable rate of interest as his source of credit is formal.
56. (b) Option (iv)
Explanation:
All other are informal source of credit.
57. (c) Option (i)
Explanation:
All other are medium of making payments. While people hold money is as **deposits** with banks.
58. (a) Option (iii)
Explanation:
Informal source of credit
59. (b) Self Help Group
Explanation:
A typical SHG has 15-20 members, usually belonging to one neighbourhood, who meet and save regularly. Saving per member varies from Rs 25 to Rs 100 or more, depending on the ability of the people to save.
60. (a) Cheque Payments
Explanation:
For payment through cheque, the payer who has an account with the bank, makes out a cheque for a specific amount. A cheque is a paper instructing the bank to pay a specific amount from the person's account to the person in whose name the cheque has been issued.
61. (c) The law legalises the use of rupee as a medium of payment
Explanation:
As per Indian law, no other individual or organisation is allowed to issue currency. Moreover, the law legalises the use of rupee as a medium of payment that cannot be refused in settling transactions in India. No individual in India can legally refuse a payment made in rupees.
62. Fill in the blanks:
(a) Deposits
(b) Reserve Bank of India
(c) High
(d) Poor
63. Correct the following statement and rewrite:
(a) **Cheap and affordable** credit or loan is crucial for the country's development.
(b) The difference between what is charged from the borrowers and what is paid to depositors is the main source of **bank's income**.
(c) The currency notes are issued by the **Reserve Bank of India (RBI)** only on behalf of the **Central Government**.
(d) When two parties agree to sell and buy each other's commodities, this situation is known as double coincidence of wants.
64. State whether the given statement is True or False:

- (a) **(a)** True
Explanation:
True
- (b) **(a)** True
Explanation:
True
- (c) **(a)** True
Explanation:
True
- (d) **(a)** True
Explanation:
True
- (e) **(b)** False
Explanation:
False

65. Fill in the blanks:

- (a) 1. Cheque

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