



INDIAN SCHOOL AL WADI AL KABIR

Class: x	Department: SOCIAL SCIENCE	Date of submission:
WORK SHEET	Topic: MONEY AND CREDIT (ECONOMICS)	Year:2020-21

CHOOSE THE CORRECT OPTION

1. Which one of the following is a formal source of credit?
a) Traders **b) Cooperative societies** c) Moneylenders d) Friends and relatives
2. Which one of the following is a modern form of currency?
a) Paper notes b) Gold c) Silver d) Copper
3. What portion of deposits are kept by the banks for their day to day transaction?
a) 10% **b) 15%** c) 20% d) 18%
4. Money
a) eliminates double-coincidence of wants b) acts as a common measure of value
c) acts as a standard of deferred payments **d) all the above**
5. Which one of the following agencies issues currency notes on behalf of the government of India?
(a) Ministry of Finance **b) Reserve Bank of India** c) State Bank of India d) World Bank

FILL IN THE BLANKS

6. ----- is an essential feature of barter system.
Ans: Double coincidence of wants
- 7.-----is the newer way of providing loans to the rural poor, particularly women.
Ans: Self-Help Groups
8. Majority of the credit needs of the ----- households are met from informal sources.
Ans: poor
9. Interest rate, collateral and documentation requirement, and the mode of repayment together comprise what is called the?
Ans. Terms of credit.
10. Since money acts as an intermediate in the exchange process, it is called
Ans: Medium of Exchange

CORRECT THE FOLLOWING STATEMENT

11. System of exchanging goods for goods without the use of money is called Monetary system.

Ans: System of exchanging goods for goods without the use of money is called Barter system

12. The Reserve Bank of India supervises the functioning of informal sources of loans.

Ans: The Reserve Bank of India supervises the functioning of formal sources of loans.

13. In a SHG, most of the decisions regarding loan activities are taken by banks.

Ans: In a SHG, most of the decisions regarding loan activities are taken by members.

14. Properties such as land title, deposits with banks, livestock are some examples of terms of credit.

Ans: Properties such as land title, deposits with banks, livestock are some examples of collateral.

15. The main source of income of a money lender is the difference between what is charged from borrowers and what is paid to depositors.

Ans: The main source of income of a bank is the difference between what is charged from borrowers and what is paid to depositors.

DEFINE THE FOLLOWING TERMS

16. **Money:** Money is anything which has common accessibility as a means of exchange, a measure and a store of value.

17. **Collateral:** Collateral is an asset that the borrower owns [such as lands, building, vehicle, livestock, deposits with bank] and uses this as a guarantee to a lender until the loan is repaid.

18. **Credit:** Credit (Loan) refers to an agreement in which the Lender supplies the Borrower with money, goods or services in return for the promise of future payment.

19. **Cheque:** 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.

20. **Demand deposit:** Since the deposits in the bank accounts can be withdrawn on demand, these deposits are called Demand Deposits.