



INDIAN SCHOOL AL WADI AL KABIR

Class: X	Department: Social Science	Sub: Economics
Chapter-3 Work Sheet:3	Topic: Money and Credit	Year: 2025-26

1	Which of the following is a feature of modern currency? A. It is made of precious metals B. It has no value of its own C. It can be refused in transactions D. It is issued by private banks								
2	Why are formal sources of credit preferred over informal ones? A. They offer unlimited loans B. They charge higher interest rates C. They are regulated and safer D. They are available only to the poor								
3	Which bank issues currency notes on behalf of the Central Government in India? A. State Bank of India B. All nationalized banks C. Reserve Bank of India D. Bank of India								
4	Match the following and choose the right options: <table><tr><td>a) SHG s</td><td>i) Formal source of credit.</td></tr><tr><td>b) Banks</td><td>ii) Modern forms of money</td></tr><tr><td>c) Currency</td><td>iii) Interest rate, collateral, documentation requirement, and the mode of repayment.</td></tr><tr><td>d) Terms of credit</td><td>iv) To organize the rural poor.</td></tr></table> Options: A. a-(iv), b-(i), c- (ii), d-(iii) B. a-(ii), b-(iv), c-(i), d-(iii) C. a-(iii), b-(iv), c-(i), d-(ii) D. a-(iv), b-(i), c-(iii), d-(ii)	a) SHG s	i) Formal source of credit.	b) Banks	ii) Modern forms of money	c) Currency	iii) Interest rate, collateral, documentation requirement, and the mode of repayment.	d) Terms of credit	iv) To organize the rural poor.
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5	Identify the incorrect option from the statements given below regarding ‘bank deposits’ A. Banks accept the deposits and also pay an amount as interest on the deposits. B. People’s money is safe with the banks and it earns an amount as interest. C. People do not have the provision to withdraw the money from the bank as and when they require. D. Bank deposits are called demand deposits.								
6	An agreement where the lender supplies the borrower with money, goods, or services in return for future payment is called: A. Debt B. Deposit								

	C. Credit D. Collateral
7	Which of the following is not an informal source of credit? A. Money-lender B. Relatives and Friends C. Cooperatives D. Traders
8	In which country does the Grameen Bank operate to meet the credit needs of over 6 million poor people? A. Bhutan B. Sri Lanka C. Bangladesh D. Nepal
9	Double coincidence of wants means: A. What a person desires to sell is exactly what the other person wishes to buy. B. What a person desires to sell is exactly what the other person also wishes to sell. C. What a person desires to buy is exactly what the other person also wishes to buy. D. None of the above.
10	What is the formal term for the 'security' demanded by lenders from borrowers? A. Deposit B. Collateral C. Credit D. Guarantee
11	Consider the statements given below and choose the correct answer Statement I: Modern forms of money include currency and deposits with banks. Statement II: SHGs are the building blocks of organization of the rural poor. Options:- A. Statement (I) is correct and (II) is incorrect. B. Statement (I) is incorrect and (II) is correct. C. Both (I) & (II) are incorrect. D. Both (I) & (II) are correct
12	ASSERTION AND REASONING: In the question given below, there are two statements marked as Assertion (A) and Reason (R). Read the statements and choose the correct option: Assertion (A): There is no organization which supervises the credit activities of lenders in the informal sector. Reason (R): Compared to the formal lenders, most of the informal lenders charge a much higher interest on loans. Options: A. Both A and R are true and R is the correct explanation of A. B. Both A and R are true and R is not the correct explanation of A. C. A is true but R is false. D. A is false but R is true.