



INDIAN SCHOOL AL WADI AL KABIR

Class: X	Department: Social Science	Sub: Economics
Chapter-3 Worksheet-3	Topic: Money and Credit (Eco)	Year: 2022-2023

1	<p>Which one of the following options describe 'Collateral'?</p> <p>A. Double coincidence of wants B. Certain products for barter C. Trade in barter D. Asset as guarantee for loan</p>
2	<p>A potter making pots, wants to exchange pots for wheat. Luckily, he meets a farmer who has wheat and is willing to exchange it for the pots. What is this situation known as?</p> <p>A. Incidence of wants B. Double coincidence of wants C. Barter system of wants D. None of the above</p>
3	<p>Which of the following include modern forms of money?</p> <p>A. Currency notes and coins B. Cowrie shells and stones C. Gold and silver coins D. Grains and cattle</p>
4	<p>Which one of the following is a major reason that prevents the poor from getting loans from the banks?</p> <p>A. Lack of capital B. Not affordable due to high rate of interest C. Absence of collateral D. Absence of mediators</p>
5	<p>Raghav has surplus money so he opens a bank account and deposits in it. Whenever he needs money, he can go to his bank and withdraw from there. This kind of deposit with the banks are known as _____.</p> <p>A. surplus deposit B. term deposit C. fixed deposit D. demand deposit</p>
6	<p>A person can withdraw money by issuing a cheque. What is a cheque?</p> <p>A. Loan taken by the bank. B. Loan taken by the depositor from the bank. C. Paper instructing the bank to pay a specific amount. D. Paper valid to withdraw money</p>

7	<p>What is the most important function of the banks?</p> <p>A. Accept deposits and extend loans. B. Give loans to government. C. Open as many bank accounts as possible. D. Give loans to businesses.</p>
8	<p>Which among the following is not a feature of informal source of credit?</p> <p>A. Rate of interest is not fixed. B. It is supervised by the Reserve Bank of India. C. Terms of credit are very flexible. D. Traders, employers, friends, relatives, etc. provide credit.</p>
9	<p>All the banks act as mediator between _____ and _____.</p> <p>A. rural people, urban people B. literates, illiterates C. people, government D. depositors, borrowers</p>
10	<p>Which one of the following is not an informal source of credit?</p> <p>A. Money-lender B. Relatives and Friends C. Commercial Banks D. Traders</p>
11	<p>_____ refers to an agreement in which the lender supplies the borrower with money, goods or services in return for the promise of future payment.</p> <p>A. Debit B. Cash transaction C. Credit D. Trade</p>
12	<p>Which one of the following agencies issues currency notes on behalf of the government of India?</p> <p>A. Ministry of Finance B. Reserve Bank of India C. State Bank of India D. World Bank</p>
13	<p>Read the information given below and select the correct option –</p> <p>Mohan is an agricultural labourer. There are several months in a year when he has no work and needs credit to meet his daily expenses. He depends upon his employer, the landowner for credit who charges an interest rate of 5 per cent per month. Mohan repays the money by working physically for the landowner on his farmland. Over the years his debt will –</p> <p>A. Increase - because of increasing interest and non-payment of monthly amount B. Remain constant - as he is working for the employer but is repaying less</p>

- C. Reduce - as amount equivalent to his salary is being counted as monthly repayment
- D. Be totally repaid - as he is repaying the debt in the form of physical labour

OR

Most of the agricultural labourers like Mohan depend upon loans from informal sector. Which of the following statements about this sector is correct –

- A. There are govt. bodies to supervise informal sector
- B. Money lenders ask for a reasonable rate of interest
- C. Cost of informal loans to the borrower is quite high**
- D. Money lenders use fair means to get their money back

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:

14	<p>Assertion(A): In India, no individual can refuse to accept a payment made in rupees. Reason(R): Rupee is the legal tender in India. Options:</p> <ul style="list-style-type: none">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.
15	<p>ASSERTION(A): Rohan took credit in the form of advance payment from a buyer and he delivered the goods to the buyer on time and also earned profit. The credit made Rohan better off in this situation. REASON(R): Credit can never push a person into a debt. Options:</p> <ul style="list-style-type: none">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.