



INDIAN SCHOOL AL WADI AL KABIR

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| Class: X | Department: SOCIAL SCIENCE | Date of submission: |
| WORK SHEET | Topic: MONEY AND CREDIT (ECONOMICS) | Year:2021-22 |

CHOOSE THE CORRECT OPTION

- Which one of the following is a formal source of credit?
a) Traders **b) Cooperative societies** c) Moneylenders d) Friends and relatives
- Which one of the following is a modern form of currency?
a) Paper notes b) Gold c) Silver d) Copper
- What portion of deposits are kept by the banks for their day to day transaction?
a) 10% **b) 15%** c) 20% d) 18%
- 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**
- 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

- is an essential feature of barter system.
Ans: Double coincidence of wants
- is the newer way of providing loans to the rural poor, particularly women.
Ans: Self-Help Groups
- Majority of the credit needs of the ----- households are met from informal sources.
Ans: poor
- Interest rate, collateral and documentation requirement, and the mode of repayment together comprise what is called the?
Ans. Terms of credit.
- 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.