

Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Revision class-10th

(Based on N C E R T pattern)

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Economics

Money and credit

1. Which one of the following statements is most appropriate regarding transaction made in money?

- (a) It is the easiest way.
- (b) It is the safest way.
- (c) It is the cheapest way.
- (d) It promotes trade.

Answer: a

2. Which one of the following is a modern form of currency?

- (a) Gold
- (b) Silver
- (c) Copper
- (d) Paper notes

Answer: d

3. Which among the following authorities issues currency notes on behalf of the government?

- (a) Government of India
- (b) The State Bank of India
- (c) National Bank for Agriculture and Rural Development
- (d) Reserve Bank of India

Answer: d

4. In which of the following systems exchange of goods is done without use of money?

- (a) Credit system
- (b) Barter system
- (c) Banking system
- (d) Collateral system

Answer: b

5. Banks provide a higher rate of interest on which of the following accounts?

- (a) Saving account
- (b) Current account
- (c) Fixed deposits for long period
- (d) Fixed deposits for very short period

Answer: c

6. Banks use the major portion of the deposits to:

- (a) Keep as reserve so that people may withdraw
- (b) Meet their routine expenses
- (c) Extend loans
- (d) Meet renovation of bank

Answer: c

7. What percentage of their deposits is kept as cash by the banks in India?

- (a) 25%
- (b) 20%
- (c) 15%
- (d) 10%

Answer: c

8. The informal source of credit does not include which one of the following?

- (a) Traders
- (b) Friends
- (c) Cooperative Societies
- (d) Moneylenders

Answer: c

9. Which one of the following is the new way of providing loans to the moral poor?

- (a) Co-operative societies
- (b) Traders
- (c) Relatives and friends
- (d) SHGs

Answer: d

Question 10. Why is currency accepted as a medium of exchange?

- (a) Because the currency is authorised by the government of the country.
- (b) Because it is liked by the people who use it.
- (c) Because the use of currency has its origin in ancient times.
- (d) Because the currency is authorised by the World Bank.

Answer: a

11. Who issues the currency notes in India?

- (a) Currency notes are issued by the Finance Commission.
- (b) All the nationalized banks can issue the currency notes.
- (c) Only Reserve Bank of India can issue currency notes.
- (d) Any individual or organization can issue currency notes with the permission of the govt.

Answer: c

12. Which among the following banks issues currency notes on behalf of the Central Government in India?

- (a) RBI
- (b) State Bank of India
- (c) Bank of India
- (d) Central Bank of India

Answer: a

13. What do the banks do with the deposits which they accept from the customers?

- (a) Banks use these deposits for charitable activities.
- (b) Banks use a major portion of deposits to extend loans.
- (c) Banks use deposits to give bonus to their employees.
- (d) Banks use deposits to set up more branches in the country.

Answer: b

14. What is the main source of income of a bank?

- (a) Bank charges that the depositors pay for ; keeping their money safe is the main ; source of the bank's income.
- (b) The difference between what is charged from the borrowers and paid to the depositors is the main source of bank's income.
- (c) Banks earn huge amounts of money by investing the money of the depositors in various company shares.
- (d) The Government of India gives huge amounts of money to the banks to help their smooth functioning.

Answer: b

15. An agreement in which the lender supplies the borrower with money, goods or services in return for the promise of future payment refers to

- (a) Debt
- (b) Deposit
- (c) Credit
- (d) Collateral

Answer: c

16. Which body (authority) supervises the functioning of formal sources of loans?

- (a) Finance Ministry
- (b) Head Office of each Bank
- (c) Reserve Bank
- (d) Cooperative Societies

Answer: c

17. Money-lenders usually demand a 'security' from the borrower. What is the formal word used for the 'security', such as land, vehicle, livestock, building, etc.?

- (a) Deposit
- (b) Collateral
- (c) Credit
- (d) Guarantee

Answer: b

18. Which among the following options will be the cheapest source of credit in rural areas?

- (a) Bank
- (b) Cooperative Society
- (c) Money-lender
- (d) Finance Company

Answer: b

19. In which country is the Grameen Bank meeting the credit needs of over 6 million poor people?

- (a) Bhuta
- (b) Sri Lanka
- (c) Bangladesh
- (d) Nepal

Answer: c

20. A typical Self Help Group usually has

- (a) 100-200 members
- (b) 50-100 members
- (c) less than 10 members
- (d) 15-20 members

Answer: d

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