



Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Revision Class-10th

(Based on N C E R T pattern)

Date:- 17.10.XX.

Economics

Money and credit

1. For which purpose do the banks use the major portion of the deposits?

Ans. To extend loans.

2. What percentage of bank deposits is kept as a cash reserve by the banks for the daily transaction in India?

Ans. About 15%.

3. What does loan agreement specify?

Ans. An interest rate, mode of repayment, collateral and necessary documentation.

4. List any six sources of credit operating generally in Indian villages.

Ans. The following are the sources of credit operating generally in Indian villages :

(1) Moneylenders: They provide 33% of total credit needs of rural households.

(2) Co-operative Societies: This source of rural credit provided 25% of total credit needs in 2012.

(3) Commercial Banks: About 25% of the rural needs of credit is fulfilled by commercial banks,

(4) Relatives and Friends: They provide 8% of rural credit needs.

(5) Other Institutional Agencies: They provide 5% of the total credit needs of rural households,

(6) Landlords: They provide about 1% of total credit needs in Indian villages.

5. Why do farmers require credit?

Ans. Farmers require credit to purchase seeds, fertilizers, pesticides and for irrigation purposes.

6. What is agricultural credit?

Ans. Agricultural credit refers to an agreement in which the lender supplies the farmer with money, goods or services in return for the promise of future payment.

Mr Anant kumar