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CLASS-10TH

(BASED ON N C E R T PATTERN)

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ECONOMICS

MONEY AND CREDIT

1. 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

2. 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

3. 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

4. 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

5. 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

6. 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

7. 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

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8. 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

9. 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

10. 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

11. Which of the following is not an informal source of credit?
- (a) Money-lender
 - (b) Relatives and Friends
 - (c) Commercial Banks
 - (d) Traders

Answer: c
