



Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Revision Class-10th

(Based on N C E R T pattern)

Date:- 22.11.XX.

Economics

Money and credit

1. Self-Help Groups can help in solving the problem of credit in rural areas. Explain.

Or

In what ways do Self-Help Groups help the rural sector of the economy?

Ans. (1) The absence of collateral is one of the major reasons which prevent the poor from getting bank loans. Whereas, there is no need for collateral or difficult paperwork to take loans from SHGs.

(2) SHGs have a lower interest rate than that of moneylenders or traders. They can get timely loans for a variety of purposes.

(3) It creates employment opportunities for the members who are rural poor, particularly women.

(4) It encourages regular savings of the rural poor.

(5) SHGs help rural women not only to become financially self-reliant but also, the regular meetings of the group provide a platform to discuss and act on a variety of social issues such as health, nutrition, domestic violence, etc.

2. Describe the organization, working and importance of Self-Help Groups.

Or

What are the Self-Help Groups? How do they work? Explain.

Or

What is meant by Self Help Group? Explain its working.

Ans. (1) SHGs are the groups created by the needy persons themselves, especially women to fulfil their credit and loan needs. A typical SHG has 15-20 members, who meet and save regularly.

(2) Saving of per member varies from 25 to ₹ 100 or more depending on the ability of the people to save.

(3) Members can take small loans from the group itself to meet their needs.

(4) The group charges interest on these loans but this is still less than what the money-lenders charge.

(5) If the group is regular in savings, it becomes eligible for availing loan from the bank. The loan is sanctioned in the name of the group and is meant to create self-employment opportunities for the members

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