



Vidya Bhawan balika Vidyapeeth shakti utthan aashram Lakhisarai

Revision Class-10th

(Based on N C E R T pattern)

Date:- 25.11.XX.

Economics

Money and credit

1."To achieve the overall development of the country, cheap and affordable credit is necessary for all." Explain the social and economic values attached to it.

Ans. (1) (i) It is absolutely true that to achieve the overall development of the country, cheap and affordable credit is necessary for all. This is because about one-fourth of our population is still poor that have little access to formal sources of credit due to the absence of collateral. They have to depend upon the informal sources of credit at a high rate of interest.

(ii) The elderly people and women are the poorest of the poor in our society. So, for the woman empowerment, cheap and affordable credit is essential.

(iii) There is a regional disparity in our country. There is a large difference between the Per Capita Income of Delhi and Bihar. So, the cheap and affordable rate of interest is essential for increasing industry and income of the people, especially in less-developed regions.

(2) (i) Economic values: Cheap and affordable credit would increase incomes of the poor. They would have to give a little portion of their earnings as interest amount. And the rest is left with themselves. This would make them economically self-dependent.

(ii) Social values: Economic self-dependency would boost up social status of the people. With their increased earnings, they could grow crops, do business, set-up small-scale industries, etc. This could free them from the clutches of moneylenders, traders or landlords and increase the social status of the poor in the society.

2. “Self-Help Groups play an important role in solving the problems of rural poor.” In this context explain the social and economic values attached to it.

Ans. (1) It promotes women empowerment. SHGs are the groups created by needy persons themselves, especially women to fulfil their credit and loan needs. A typical SHG has 15-20 members, who meet and save regularly. So, through SHGs, women become economically independent. They are engaged in economic activities. Their voices are heard in the family and society.

(2) The SHG encourages teamwork because it is an organization of about 15-20 members who meet and save at a regular interval.

(3) The Self-Help Group leads to self-sufficiency to its members. Members can take small loans from the group itself to meet their needs. If the group is regular in savings, it can avail loans from the bank that is meant to create self-employment opportunities for the members.

(4) They are helpful in the eradication of poverty. This is because, the SHG provides cheap loans to its members to start self-employment activities such as establishing business units, shops, small trading etc. In this way, they increase their incomes which leads to the eradication of poverty.

(5) The SHG is a source of inspiration to its members. Inspiration refers to an unconscious burst of creativity in an artistic endeavour. It is a directing agent for a man to seek some purpose in life. Also, it controls over obstacles.

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