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गोपनीय राजी नवीनता, लैटिन लैग्युलर एवं Olympiad की तैयारी अलग से कराई जाती है।

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Money and Credit

⇒ **Important Question**

⇒ **Short type question**

1. Define the terms of Credit. What are the four terms of credits? Give Examples.

2. Describe the vital and positive role of credit.

OR

Explain with an example, how credit plays a vital and positive role for development.

3. Describe the significance of the Reserve Bank of India.

4. What is collateral? Why do lenders ask for collateral while lending? Explain.

5. Explain any three possible reasons that people might apply for loans in rural areas. Give three reasons.

6. What is the Barter System? Explain by giving examples.

7. Why demand deposits are considered money?

⇒ **Long type question**

1. Why do we need to expand formal sources of credit in India?

2. "Cheap and affordable credit is essential for poor households both in rural and urban areas." In the light of the above statement explain the social and economic values attached to it.

Or

"Cheap and affordable credit is crucial for the country's development." Assess the statement.

Or

'Credit has its own unique role for development'. Justify the statement with arguments.

3. **"The credit activities of the informal sector should be discouraged."**
Support the statement with arguments.
4. **What is the basic objective of 'Self Help Groups'? How do they work?**
Describe any four advantages of 'Self Help Groups' for the poor.
5. **What are the various sources of credit in rural areas? Which one of them is the most dominant source of credit and why?**
6. **"Deposits with the banks are beneficial to the depositors as well as to the nation". Examine the statement.**
7. **How can the formal sector loans be made beneficial for poor farmers and workers? Suggest any five measures.**
- 8.

Case/Source Based Question

Read the given source and answer the questions that follow.

In India, the Reserve Bank of India issues currency notes on behalf of the central government. As per Indian law, no other individual or organisation is allowed to issue currency. Moreover, the law legalises the use of rupee as a medium of payment that cannot be refused in settling transactions in India. No individual in India can legally refuse a payment made in rupees. Hence, the rupee is widely accepted as a medium of exchange.

- I. Who is authorized to issue currency notes in India?
Explain the legal backing for this authority.
- II. What does the Indian law state about the use of the rupee in transactions?
- III. Why is it important that the Reserve Bank of India is the only body authorized to issue currency notes?