



ECONOMICS

BOOKS - MCGROW HILL EDUCATION ECONOMICS (HINGLISH)

MONEY AND CREDIT

Elementary Questions

1. A majority of the credit needs of the_____ households are met from informal sources. A. Man

B. Poor

C. Woman

D. Rich

Answer: B

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2.____costs of borrowing increase the debt-

burden.

A. High

B. Low

C. Fix

D. Fit

Answer: A



3. _____ _issues currency notes on behalf of

the Central Government.

A. ABN

B. SBI

C. RBI

D. PNB

Answer: C



4. Banks charge a higher interest rate on loans

than what they offer on._____

A. Buyers

- **B.** Credits
- C. Sellers
- D. Deposits

Answer: D



5. _____is an asset that the borrower owns and uses as a guarantee until the loan is repaid to the lender. A. Papers

- **B.** Collateral
- C. Source
- D. Firm

Answer: B



6. In a barter system goods are directly exchanged without the use of

A. Funny

B. Honey

C. Money

D. People

Answer: C



7. In a SHG most of the decisions regarding

savings and loan activities are taken by

A. Bank

B. Members

C. Non-government organisation

D. Parents

Answer: B

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8. Formal sources of credit do not include

A. Banks

- **B.** Cooperatives
- C. Employers
- **D. Securities**

Answer: C

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9. Grameen Bank of Bangladesh is one of the

biggest success stories in reaching out to the

poor to meet their credit needs at

- A. First rates
- B. Same rates
- C. Reasonable rates
- D. Best rates

Answer: C



10. Most loans from informal lenders carry a very high interest rate and do little to increase the income of the

A. Borrowers

- **B.** Lenders
- C. People
- D. Byers

Answer: A



Higher Order Thinking Questions

1. Informal sources of credit does not include

A. traders

B. relatives and friends

C. employers

D. cooperatives

Answer: A



2. Majority of the credit needs of the...... households are met from informal sources,

A. rich

B. poor

C. super rich

D. None of these

Answer: B

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3. A payment made by account payee cheque

means

A. anyone can present the cheque and get

payment from the bank

B. only drawee can deposit the cheque and

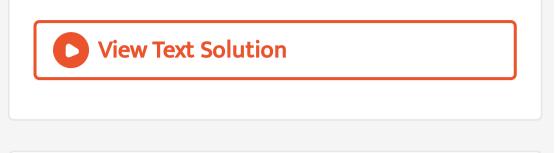
get credit in his bank account

C. the cheque can be given by the drawee

to third party who can get credit in his

account.

Answer: B



4.costs of borrowing increase

the debt-burden.

A. High

B. Low

C. Medium





5. There is restriction of withdrawing money in

а

- A. savings account
- B. current account
- C. fixed deposit account
- D. None of these





- **6.**issues currency notes on behalf of the Central Government.
 - A. Reserve Bank of India
 - B. Government of India
 - C. Ministry of Home
 - D. None of these





Interest payment will be higher on a house loan on account of

A. high tenure of loan

B. high rate of interest

C. high risk of borrower profile

D. All of these





8. Banks charge a higher interest rate on loans than what they offer on

A. value

B. amount

C. deposits





9. More money chasing less goods and services means

A. inflation

B. deflation

C. stagflation

Answer: A



10.is an asset that the borrower owns and uses as a guarantee until the loan is repaid to the lender,

A. Selector

B. Collateral

C. Modular





11. Formal sources of credit comes from

A. landlord

- B. relatives or friends
- C. commercial banks
- D. businessmen

Answer: C



12. In a SHG most of the decisions regarding savings and loan activities are taken by the

A. Bank

B. Members

C. Non-government organisation

D. None of these

Answer: B





- 13. Which system has been replaced by 'Money
- as a medium of exchange' ?
 - A. Exchange System
 - B. Commodity System
 - C. Barter System
 - D. Double coincidence of wants

Answer: C



14. Formal sources of credit does not include

A. Banks

- **B.** Cooperatives
- C. Employers
- D. None of these

Answer: C

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15. Which of the following does not come

under modern forms of money?

A. Currency

B. Cheque Payments

C. Demand deposits

D. Loan Payments

Answer: D



16. The exchange of goods for goods is

A. Bills of product

B. Bills of value

C. Bills of exchange

D. None of these

Answer: C



17. National Sample Survey Organisation is

A. an institution responsible to collect data

on informal sector credit

B. an institution responsible to collect data

on formal sector credit

C. an institution responsible to collect

resources

D. None of these

Answer: B



18. In SHG most of the decisions regarding savings and loan activities are taken by

A. Non-government organisations

B. Non-private organisations

C. Business organisations

D. None of these

Answer: A





- 19. Formal sources of credit include
 - A. Banks, Cooperatives and Private Lenders
 - B. Banks, Cooperatives and LIC
 - C. Banks, Societies and Private Lenders
 - D. None of these

Answer: B



20. A mediates between those who have surplus money and those who need money by allowing both to open accounts with it.

A. bank

B. money

C. note

D. None of these

Answer: A

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