



# 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**



**View Text Solution**

3. \_\_\_\_\_ issues currency notes on behalf of the Central Government.

A. ABN

B. SBI

C. RBI

D. PNB

**Answer: C**



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**4.** Banks charge a higher interest rate on loans than what they offer on. \_\_\_\_\_

A. Buyers

B. Credits

C. Sellers

D. Deposits

**Answer: D**



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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**



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

A. Funny

B. Honey

C. Money

D. People

**Answer: C**



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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**



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**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**



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**Higher Order Thinking Questions**

1. Informal sources of credit does not include

A. traders

B. relatives and friends

C. employers

D. cooperatives

**Answer: A**



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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.

D. None of these

**Answer: B**



**View Text Solution**

4. ....costs of borrowing increase the debt-burden.

A. High

B. Low

C. Medium

D. None of these

**Answer: A**



**View Text Solution**

5. There is restriction of withdrawing money in

a

A. savings account

B. current account

C. fixed deposit account

D. None of these



**Answer: C**



**View Text Solution**

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

**Answer: A**



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7. 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

**Answer: D**



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

A. value

B. amount

C. deposits

D. None of these

**Answer: C**



**View Text Solution**

9. More money chasing less goods and services means

A. inflation

B. deflation

C. stagflation

D. None of these

**Answer: A**



**View Text Solution**

**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

D. None of these

**Answer: B**



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**11. Formal sources of credit comes from**

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

**Answer: C**



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**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**



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**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**



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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**

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**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**



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**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**



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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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