



Time : 1 hour 30 Minute

STD 10 Social Studies
Chapter Based Test

Total Marks : 50

SECTION - A*** Multiple choice questions.****[7]**

- Who supervises the credit activities of lenders in the informal sector?
(A) Central Bank of India. (B) Commercial banks.
(C) Moneylenders. (D) None of the above.
- In rural areas, farmers take credit for which main purpose?
(A) Their family expenses. (B) Education of their children.
(C) Healthcare expenditure. (D) Crop production.
- Tick the correct answer.
After the transaction between Salim and Prem,
(A) Salim's balance in his bank account increases, and Prem's balance increases.
(B) Salim's balance in his bank account decreases and Prem's balance increases.
(C) Salim's balance in his bank account increases and Prem's balance decreases.
- Choose the most appropriate answer.
Formal sources of credit does not include:
(A) Banks. (B) Cooperatives. (C) Employers.
- Why do banks keep a small proportion of the deposits as cash with themselves?
(A) To extent loan to the poor.
(B) To extend loan facility.
(C) To pay salary to their staff.
(D) To pay the depositors who might come to withdraw money.
- Farmers usually take crop loans at the beginning of the season and repay the loan after:
(A) Sowing. (B) Tilling. (C) Harvesting. (D) All the above.
- Which of the following statements are true?
(A) As per Indian law, apart from RBI, no other individual or organisation is allowed to issue currency.
(B) The law legalises the use of rupee as a medium of payment that cannot be refused in settling transactions in India
(C) No individual in India can legally refuse a payment made in rupees.
(D) All of the above are true.

*** Fill In The Blanks With Correct Alternative.[1 Marks Each]****[3]**

8. Fill in the blank:
Majority of the credit needs of the _____ households are met from informal sources.
9. Fill in the blanks choosing the correct option from the brackets.
While taking a loan, borrowers look for easy terms of credit. This means _____ (low/ high) interest rate, _____ (easy/ tough) conditions for repayment, _____ (less/ more) collateral and documentation requirements.
10. Fill in the blank:
_____ issues currency notes on behalf of the Central Government.

*** Answer The Following Questions In One Sentence.[1 Marks Each] [4]**

11. Why do banks or lenders demand collateral against loans?
12. What do you mean by the term 'collateral'?
13. Does modern currency have any use of its own?
14. Which body supervises the functioning of formal sources of loans?

SECTION - C

*** Answer The Following Questions In Short.[3 Marks Each] [18]**

1. Why do you think that the share of formal sector credit is higher for the richer households compared to the poorer households?
2. In situations with high risks, credit might create further problems for the borrower. Explain.
3. "Cheap and affordable credit is essential for poor households both in rural and urban areas". In the light of this statement explain the social and economic values attached to it.
4. Which objects were used as money?
5. How does money solve the problem of double coincidence of wants? Explain with an example.
6. Why do lenders ask for 'collateral' while lending? Analyse the reasons.

SECTION - D

*** Answer The Following Questions In Brief.[5 Marks Each] [10]**

1. What is the role of SHGs? What are the reasons of its growing popularity?
2. How does a Self Help Group function?

SECTION - E

*** CASE BASED QUESTIONS [8]**

1. Read the source given below and answer the following questions:
Swapna, a small farmer, grows groundnut on her three acres of land. She takes a loan from the moneylender to meet the expenses of cultivation, hoping that her harvest would help repay the loan. Midway through the season, the crop is hit by pests and the crop fails. Though Swapna sprays her crops with expensive pesticides, it makes little

difference. She is unable to repay the moneylender, and the debt grows over the year into a large amount. Next year, Swapna takes a fresh loan for cultivation. It is a normal crop this year. But the earnings are not enough to cover the old loan. She is caught in debt. She has to sell a part of the land to pay off the debt.

Answer the following MCQs by choosing the most appropriate option

- i. The passage given above relates to which of the following options:
 - a. Collateral Credit.
 - b. Credit recovery is very painful.
 - c. Failure of Crops.
 - d. Credit is somewhere beneficial.
- ii. According to the passage, Swapna faced which of the following options:
 - a. The crop is hit by pests and the crop fails.
 - b. She had to sell a part of the land to pay off the debt.
 - c. Credit left her worse off.
 - d. All of these.
- iii. It refers to an agreement in which the lender supplies the borrower with money, goods or services in return for the promise of future payment:
 - a. Terms and Credit.
 - b. Credit.
 - c. Depositor.
 - d. Borrower.
- iv. The above passage is an example of:
 - a. Collateral.
 - b. Debt Trap.
 - c. Credit plays a vital and positive role.
 - d. None of these.

2. Read the source given below and answer the following questions:

Getting a loan from bank is much more difficult than taking loan from informal sources. Absence of collateral security and documentation prevents the poors from getting bank loans. Self Help Group is a group of people usually belonging to one neighbourhood having same social and economic backgrounds. They meet and save money regularly as per their ability. Members of the group can take small loans from the group itself to meet their needs. The group charges interest less than moneylenders on these loans. After one or two years, if the group is regular in savings, it becomes eligible for availing loan from the bank. Loan is sanctioned in the name of group and is meant to create self employment opportunities.

Answer the following MCQs by choosing the most appropriate option:

- i. What is the most essential requirement for taking loan from information services?
 - a. Collateral security.
 - b. Bribe.
 - c. Source from a top officer.
 - d. None of these.
- ii. SH G is a group of people usually belonging to:
 - a. The same caste.
 - b. Nearby villages.
 - c. One neighbourhood having same social and economic backgrounds.
 - d. Different villages.
- iii. What facilities do the members have who are in the same group?
 - a. They are not given any facility.

- b. They can take small loans from the group itself to meet their needs.
 - c. They are debarred from the group.
 - d. No facility is given to them.
- iv. What benefits are there for a SHG that is regular in savings?
- a. The dispute arise after sometimes.
 - b. They are rewarded by the government.
 - c. They get jobs in government departments.
 - d. They are entitled to raise loan from bank in the name of SHG.

