



## **MONEY AND BANKING**

1. Why are transactions made in money?
2. What is double coincidence of want?
3. How does money solve the double coincidence of wants? Explain with an example.
4. What are the modern forms of money used in India?
5. Why is money accepted as a medium of exchange?
6. What is a cheque?
7. What is Demand Deposit?
8. Deposits with the banks are beneficial to the depositors as well as for the development of the country. Do you agree?
9. How do banks mediate between those who have surplus money and those who are in need of money?
10. How do the persons with the bank become their source of income?
11. Why do banks maintain a cash balance?
12. What is credit? What are the terms of credit?
13. Credit plays a vital and positive role. Justify the statement with an example.
14. What is a collateral? Why do lenders ask for collateral while lending?
15. How does the Reserve Bank of India supervise the functioning of banks?
16. Cheap and affordable credit is crucial for the country's development. Do you support the statement? justify.
17. Why is there a great need to expand formal sector credit in India?
18. What is debt trap?

19. Households are still dependent on informal sources of credit. Why is it so?
20. What are the differences between formal and informal sources of credit?
21. Why should credit be available at reasonable rates for all?
22. Write a short note on Self Help Groups.
23. What are the advantages of Self Help Groups?
24. Why are banks willing to give loans to the Self Help Groups without any collateral?
25. Write a short note on the Grameen Bank of Bangladesh.